



King County

Urban Consortium Joint Recommendations Committee

Meeting Materials for Thursday, December 1st 2016

Click on a link below or use the Acrobat bookmarks to access documents

Item	Info
Agenda	Agenda for November/December 2016 Meeting
Attachment A	Draft Meeting Minutes for Approval from October 2016 JRC Meeting
Attachment B	Housing Finance Program RFP Application Summary and Briefing Papers: <i>Please note that updated briefing papers & staff funding recommendations will be provided at the Dec. 1 meeting.</i>

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King County
JRC Members

Ken Hearing
Mayor North Bend
Sound Cities
Association, Chair

De'Sean Quinn
Tukwila,
Councilmember
Sound Cities
Association,
Vice Chair

Dan Grausz
Mercer Island
Councilmember
Sound Cities
Association

Pam Fernald
SeaTac,
Councilmember
Sound Cities
Association

Terry Mark
King County,
DCHS Deputy
Director

Gary Prince
King County,
DOT, TOD Program
Manager

John Starbard
King County, DPER
Director

Leslie Miller
Kirkland
Human Services
Coordinator

Carol Ann Witschi
Councilmember,
City of Renton

Erica Azcueta
Auburn
Human Services
Manager

Jeff Watson
Federal Way
Community
Services Manager

Steve Walker
Seattle, Director of
Office of Housing

Agenda

JOINT RECOMMENDATIONS COMMITTEE (JRC) MEETING

Thursday, December 1, 2016

9:30 AM - 11:30 AM

**South Renton Treatment Plant Admin Building
1200 Monster Road S.W., Renton, WA 98057**

[Directions and map](#)

<http://www.kingcounty.gov/environment/wtd/About/System/South.aspx>

- I. Welcome and Introductions**
- II. October 27, 2016 Meeting Minutes** 5 Min
Attachment A – Action Item All
- III. Affordable Housing Capital Recommendations of 2016 Funding Round for 2017 Funds** 60 Min
Attachment B– Action Item
Jackie Moynahan, HCD, Housing Finance Program Coordinator
- IV. Round Table Discussion / Other Items**
- ICA Discussion Update

ADJOURN

Next Meeting:

Date January 26, 2017 9:30 AM - 11:30 AM

Location: South Renton Treatment Plant, Renton WA

<http://www.kingcounty.gov/depts/community-human-services/housing/consortium.aspx>

JOINT RECOMMENDATIONS COMMITTEE MEETING

Thursday, October 27, 2016

9:30 a.m. – 11:30 a.m.

South Renton Treatment Plant Admin Building

Members Present:

Ken Hearing, Mayor, City of North Bend, JRC Chair (Sound Cities Association)
De'Sean Quinn, Councilmember, City of Tukwila, JRC Vice-Chair (Sound Cities Association)
Dan Grausz, Councilmember, City of Mercer Island (Sound Cities Association)
Pam Fernald, Councilmember, City of SeaTac (Sound Cities Association)
Leslie Miller, Human Services Coordinator, City of Kirkland Parks and Community Services
Jeff Watson, Community Services Manager, City of Federal Way
John Starbard, Director, King County Department of Permitting and Environmental Review
Terry Mark, Deputy Director, King County Department of Community and Human Services (DCHS)
Gary Prince, Transit Oriented Development Manager, King County Department of Transportation
Laurie Olsen, for Steve Walker, Director of Housing, City of Seattle

Members Not Present:

Carol Ann Witscht, Councilmember, City of Renton
Erica Azcueta, Human Services Manager, City of Auburn

King County Staff:

Kathy Tremper, Coordinator, Housing and Community Development (HCD), DCHS
David Mecklenburg, Project Manager, HCD, DCHS
Mark Ellerbrook, Regional Housing and Community Development Manager, HCD, DCHS
Al D'Alessandro, Project Manager, HCD, DCHS
Kate Speltz, Homeless Housing Coordinator, HCD, DCHS
Jackie Moynahan, Housing Finance Program Coordinator, HCD, DCHS
Elaine Goddard, Administrative Staff Assistant, DCHS

Guests:

Evie Boykan, City of Tukwila
Colleen Brandt-Schluter, City of SeaTac
Merina Hanson, City of Kent
Dianne Utecht, City of Renton
Ellie Wilson-Jones, Sound Cities Association
Dana Hinman, Director of Administration, City of Auburn

I. Welcome and Introductions

Mayor Ken Hearing, Committee Chair opened the meeting at 9:32 a.m. He welcomed guests and asked for introductions.

**II. Review September 29, 2016 Meeting Minutes
Attachment A – Action Item, All**

MOTION: Jeff Watson made a motion to accept the September 29, 2016 meeting minutes. Leslie Miller seconded the motion. The motion was approved unanimously.

**III. JRC State Legislative Priorities for 2017
Attachment B – Action Item, All**

Legislative priorities were reviewed during the September meeting and Al D’Alessandro made some revisions based on JRC members’ feedback. The areas addressed are:

Item 3, Housing Trust Fund: Information and statistics from 2016 regarding rents were added.

Item 4, Source of Income Discrimination: Clarification was added. Councilmember De’Sean Quinn asked how many jurisdictions are supporting the Source of Income Discrimination priority. He would like to ensure that everyone who is on board sends the same message to the legislature. Mark Ellerbrook commented that the County has an interest in this because vouchers are used to get many people into housing. If landlords discriminate it limits their usefulness. Jeff Watson expressed concern that landlords could still find loopholes to make it difficult for tenants with vouchers to qualify for housing. Laurie Olsen commented that Seattle recently passed an anti-income discrimination bill and that they could share lessons learned.

Item 5, Support for Tools for Affordable Housing Preservation: Last year’s version of this bill did include clawback language for repayment of taxes + 20% added.

Item 6, Support New Housing Finance Options with Real Estate Excise Tax for Housing: This was on last year’s agenda, but was taken off because there was no champion. Someone has stepped forward to introduce the bill so it has been added back to the agenda.

Item 8, Stabilize Essential Public Health Services: Clarification was added on the fiscal cliff. Public Health financing needs to be addressed before it becomes a serious issue. Leslie Miller noted that there was a discrepancy in the amount being asked for. Al said he would ensure that the amount is consistent with the Sound Cities Association and King County Legislative Agendas.

MOTION: Councilmember De’Sean Quinn made a motion to approve the Legislative Agenda, Councilmember Dan Grausz seconded the motion. There was no further discussion. A vote was taken and the motion was approved unanimously.

IV. Homeless Housing 2017-2018 Funding Round Attachment C – Action Item, All

Kate Speltz gave an overview of the funding recommendations for the Homeless Housing Services RFP. She led the review process, and understands the components of the RFP and how the decisions were made. Awards are for two years and support emergency shelter, transitional housing and rapid re-housing programs. A variety of funds are included in these recommendations and the JRC has authority over the ESG, CDBG and RAHP portions based on the inter-local agreements. This amount comes to approximately \$1 million. Kate referred the group to the attachment which shows the recommendations by region and amounts.

This year the County has \$4.6 million available and received 78 applications requesting over \$10 million. The review committee looks at all of the applications, and rates them on predetermined criteria including past performance. After ratings are made choices are determined based on fund source, location and population served. Some lower rated programs may be funded in order to fill a particular need not offered by other choices.

Councilmembers De'Sean Quinn and Dan Grausz expressed interest in knowing more about the rating criteria and selection process. Because so many requests cannot be fully funded they would like to better understand how some get selected and not others. Councilmember Dan Grauz was concerned that the JRC did not have more of a role in the decision making process and are only being asked for approval. Mark Ellerbrook acknowledged the JRC's limited scope which is based on the inter-local agreement. The JRC's role is complicated by the co-mingling of funds, however this is the best way the County has found to make the most impact with limited dollars. The JRC only authorizes 25 percent of the funds so they do not have as much jurisdiction as they might like. However, the JRC was briefed on all of the projects at the September meeting and have given input regarding policy and direction that the rating teams used to determine the recommendations. These are multi-layered decisions that were made by knowledgeable and diverse teams with representatives throughout the County.

Kate Speltz gave an overview of the recommendations.

A question was raised whether programs who are not funded get feedback on why they were not selected and how to improve their applications. This information is available and performance rankings are publicly available. The County also does outreach to agencies to address concerns or omissions in their applications during the rating process. The County is shifting toward increasing capacity of smaller organizations by providing technical assistance in the RFP process and contracting. The recent Best Starts for Kids Homelessness Prevention RFP did a lot of outreach to small grass-roots community organizations and the County will continue to provide opportunities to organizations that reach under-served communities.

Mayor Ken Hearing indicated that multiple voting is needed to address each fund source.

MOTION: Councilmember De’Sean Quinn made a motion to approve the CDBG portion of funding. Councilmember Pam Fernald seconded the motion. There was no further discussion. A vote was taken and the motion was approved.

MOTION: Councilmember De’Sean Quinn made a motion to approve the ESG portion of funding. Jeff Watson seconded the motion. There was no further discussion. A vote was taken and the motion was approved.

MOTION: Jeff Watson made a motion to approve the RAHP portion of funding. Councilmember Pam Fernald seconded the motion. There was no further discussion. A vote was taken and the motion was approved.

FINAL AWARDS:

Total 2017 CDBG funds – Emergency Shelter: \$180,000
 Total 2017 ESG funds – Emergency Shelter: \$187,844
 Total 2017 RAHP O&M –Emergency Shelter / Transitional Housing: \$700,000

CDBG and ESG

Sub Region	Priority Use	Percentage of funds	2017 CDBG	2017 ESG
South King County	Emergency Shelter	68.3 %	\$122,940	\$128,297
North/ East County	Emergency Shelter	31.7 %	\$57,060	\$59,547

RAHP O&M

Sub Region	Priority Use	Percentage of funds	2017 CDBG
South King County	Emergency Shelter / Transitional Housing	32.7 %	\$228,900
North/ East County	Emergency Shelter/ Transitional Housing	29.4 %	\$205,800
City of Seattle	Emergency Shelter/ Transitional Housing	37.9 %	\$265,300

Contingency Plan

If less CDBG funding is received, the reduction will be made from the Housing Stability Project. Any CDBG increase will go to the Housing Stability Project. Any ESG increase will go to Rapid Re-Housing.

2017 CDBG Emergency Shelter Recommendations – South King County

Agency	Program	Population Served	Requested Amount	Recommended Award
DAWN	Domestic Violence Shelter	Families / Singles	\$40,000	\$30,000
Hospitality House	Shelter	Single Women	\$50,000	\$25,000
Multi Service Center	Family Shelter	Families	\$118,427	\$50,237*
YWCA	South King County Family Shelter	Families	\$51,489	\$17,703**
Total				\$122,940

*Multi-service Family Shelter total award is \$75,000

**South King County Family Shelter total award is \$41,000

2017 ESG Emergency Shelter Recommendations – South King County

Agency	Program	Population Served	Requested Amount	Recommended Award
Catholic Community Services	South King County Shelter System	Men’s Shelter, Winter Shelters	\$105,000	\$105,000
YWCA	South King County Family Shelter	Families	\$51,489	\$23,297*
Total				\$128,297

*South King County Family Shelter total award is \$41,000

2017 CDBG Emergency Shelter Recommendations –North / East King County

Agency	Program	Population Served	Requested Amount	Recommended Award
Catholic Community Services	Eastside Winter Shelter for Families	Families	\$57,750	\$40,607*
Congregations for the Homeless	Men’s Year Round Shelter	Single Men	\$80,000	\$16,453**
Total				\$57,060

*Catholic Community Services total award is \$50,000

**Congregations for the Homeless total award is \$50,000.

2017 ESG Emergency Shelter Recommendations – North / East King County

Agency	Program	Population Served	Requested Amount	Recommended Award
Congregations for the Homeless	Men’s Year Round Shelter	Single Men	\$80,000	\$33,547*
Congregations for the Homeless	Eastside Men’s Low Barrier Winter	Single Men	\$165,000	\$26,000
Total				\$59,547

*Congregations for the Homeless total award is \$50,000.

2017 RAHP Operating and Maintenance Award Recommendations

South King County RAHP O&M

Agency	Program	Population	Requested Amount	Recommended Award
Auburn Youth Resources	Severson House Transitional	Young Adult Families	\$78,477	\$25,000
Catholic Community Services	Katherine and Rita Transitional	Single Women	\$47,250	\$45,000
Kent Youth and Family Services	Watson Manor Transitional	Young Adult Families	\$30,000	\$30,000
Multi-Service Center	Family Shelter	Families	\$118,427	\$24,763*
Multi-Service Center	Family Transitional	Families	\$29,117	\$25,000
Multi-Service Center	Men's Transitional	Single Men	\$67,226	\$25,000
St. Stephen Housing	Transitional	Families	\$40,000	\$40,000
YWCA	Anita Vista	Domestic Violence Families	\$102,175	\$14,137**
Total				\$228,900

*Multi-Service Center Family Shelter total award is \$75,000

**YWCA Anita Vista total award is \$45,000

North / East King County RAHP O&M

Agency	Program	Population Served	Requested Amount	Recommended Award
Catholic Community Services	Eastside Winter Family Shelter	Families	\$57,750	\$9,393*
Congregations for the Homeless	Snoqualmie Valley Winter Shelter	All	\$90,000	\$25,000
Friends of Youth	The Landing Shelter	Young Adults	\$45,000	\$38,250
Friends of Youth	New Ground Bothell	Young Adults	\$35,000	\$35,000
Friends of Youth	Youth Haven Shelter	Youth	\$48,624	\$25,000
Lifewire	My Sister's Home	Domestic Violence Families	\$57,296	\$23,157**
Sophia Way	Sophia's Place Shelter	Single Women	\$60,000	\$25,000***
Sophia Way	Sophia's Place Transitional	Single Women	\$35,000	\$25,000
Total				\$205,800

*Catholic Community Services total award is \$50,000

**Lifewire My Sister's Home total award is \$50,000

***Sophia Way Sophia's Place Shelter total award is \$50,000

City of Seattle RAHP O&M

Agency	Program	Population	Requested Amount	Recommended Award
Catholic Community Services	Aloha Inn Transitional	Single Adults	\$31,500	\$31,000
Community Psychiatric Clinic	Cedar House Transitional	Young Adult	\$50,000	\$25,000
Salvation Army	Hickman House Transitional	Domestic Violence Families	\$46,725	\$40,000
Solid Ground	Broadview Transitional	Domestic Violence Families	\$108,801	\$29,300*
Youthcare	Adolescent Emergency Shelter	Youth	\$58,383	\$25,000
Youthcare	Catalyst at Straley Transitional	Young Adults	\$91,800	\$40,000
Youthcare	Passages Transitional	Young Adults	\$83,663	\$25,000
YWCA	Seattle Emergency Housing Shelter	Families	\$115,372	\$50,000
Total				\$265,300

*Solid Ground Broadview Transitional total award is \$35,000.

**V. Affordable Housing Capital Funding Round
Attachment D – Information Item**

Jackie Moynahan will be leading the 2017 Capital Funding Round selection process. She gave a preview of projects that are being reviewed for JRC approval on December 1.

Capital projects are looked at for readiness, feasibility and how they meet County funding priorities. The process includes a pre-application opportunity for developers at different stages to determine their projects’ preparedness for the RFP application process. For a variety of reasons, not everyone who attends a pre-application meeting will submit an application.

There is \$9.1 million available in this funding round. Funding comes from various sources, some of which have different restrictions. In addition, the Behavioral Health Organization may contribute up to \$5 million for projects that serve clients with mental health issues. The project recommendations will be presented as a whole package, but the JRC will only approve the RAHP and HOME expenditures. The review panel will include representatives from Sound Cities Association. When evaluating projects the team will look at several factors including readiness to start, tax credits, and complete funding availability. The County funding is only a portion of the total project budget and our portion will not be spent until total funding is approved, and/or tax credit allocations are received.

There are 11 applications asking for \$12.7 million. The projects represent a mixture of housing including permanent supportive housing, housing for homeless young adults, group housing for developmentally disabled adults, affordable and homeless housing, and home ownership. Jackie Moynahan gave a brief overview of each project being considered. Potentially 75% of the projects can be funded, but there are several factors that may have an impact, including support from the Housing Trust Fund which is limited this year. The total development cost will be considered as well as the requested amount because all funding must be secured to make a project successful.

A question was raised regarding home-ownership as a priority when considering how to combat homelessness. There has been a focus on extremely low income housing and homeless housing, but home ownership projects can be awarded based on funding available. Once priority projects are determined the remaining funds may be appropriated to support a portion of a home ownership project. Home ownership may not be a top priority, but it is part of the County's portfolio.

A question was raised regarding the Transit Oriented Development (TOD) funds. Council has approved funding and the funding awards for the TOD funds will be determined outside of the JRC.

Members will be receiving additional information and will reconvene on December 1, 2016 to review final recommendations. The County will continue to work with the Housing Trust Fund and tax creditors to help determine which projects are ready to go forward.

VI. Round Table

- Councilmember De'Sean Quinn asked for an update on the Firs Mobile Home residents who came to the last meeting asking for help to avoid eviction due to a land sale. Mark Ellerbrook responded that DCHS is working with them, and the County is working on the broader policy question. The Tenants Union is also working with them. The City approved a relocation plan on October 17, and tenants have two weeks to appeal to the state. If that fails, they will have 12 months before they must leave. Various parties are trying to come together to help find a solution including the SeaTac City Council. They are doing a good job of advocating for themselves and are very appreciative for the support they are getting. Mark can give a more detailed update in December.
- Inter-local Agreement update: Mark Ellerbrook reported that the ICA agreements need to be renewed by the end of 2017. However, HUD needs to receive the plan by the end of July. Mark is working with Sound Cities Association and other partners discussing the Housing Repair set aside, geographic equity, administrative costs and ways to give smaller communities a stronger voice/opportunity. Due to the fast timeline the County will bring in a consultant to help. Questions and comments regarding substantive changes should be brought to Mark's attention.

- Mark Ellerbrook included an update on the Housing Repair Program in the packet for review.
- A brief report on the Housing Stability Program was included in the packet. Mark will get additional data from Solid Ground regarding the number of households helped vs. number of evictions.
- Next meeting: December 1.

Meeting adjourned at 11:37 am.

Housing and Community Development 2016 Housing Finance RFP Applicants - Multi-Family Housing and Homeownership									
Sponsor	Project Name	City	# of Units	King County Funds Requested	HTF Request	LIHTC Request	ORS Request annually	Population Served	Building Type
AFFORDABLE HOUSING/LOW-INCOME/HOMELESS HOUSING									
Auburn Youth Resources	SKYS Program	Auburn	10	\$1,163,899	\$1,641,850	\$0	\$0	Homeless Young Adults	New Construction
Community House*	23rd and Jackson Mixed Use	Seattle	52	\$750,000	\$750,000	\$1,089,764	\$43,750	Chronic Mental Illness	New Construction/Mixed Use
Downtown Emergency Service	N. 96th Supportive	Seattle	98	\$500,000	\$1,500,000	\$1,685,033	\$193,967	Chronic Mental Illness	New Construction
Imagine Housing	30Bellevue	Bellevue	62	\$2,000,000	\$2,000,000	\$1,281,445	\$0	Disabled/Developmentally Disabled, General, Homeless Households with Children	New Construction
Imagine Housing	Block 6B @ Esterra Park**	Redmond	40	\$4,300,000	\$0	\$838,196	\$0	General, Homeless Households with Children	New Construction
Low Income Housing Institute	Renton Commons	Renton	48	\$3,400,000	\$3,000,000	\$984,979	\$192,000	General, Veterans, Homeless with Children	New Construction/Redevelopment
Mental Health Housing Foundation*	Auburn Homestead	Auburn	11	\$1,955,865	\$1,500,000	\$0	\$25,000	Chronic Mental Illness, Homeless	New Construction/Redevelopment (19 beds)
Parkview Services	Parkview Homes XIV - Riverton Park	Tukwila	2	\$200,500	\$895,000	\$0	\$0	General, Developmentally Disabled	New Construction (2 houses - 8 beds)
Solid Ground	Santos Place/Sandpoint Family Hsg	Seattle	77	\$191,078	\$195,000	\$326,612	\$0	Homeless -Households with Children and Individuals, Disabled	New Construction/Redevelopment
	Subtotal		400	\$14,461,342	\$11,481,850	\$6,206,029	\$454,717		
HOMEOWNERSHIP									
Homestead Community Land Trust	Riverton Park	Tukwila	11	\$825,000	\$550,000	\$0	\$0	Homeownership	New Construction/Homeownership
Parkview Services	Parkview Homeownership 9	TBD	12	\$175,000	\$600,000	\$0	\$0	Homeownership/ Developmentally Disabled	Down Payment Assistance
	Subtotal		23	\$1,000,000	\$1,150,000	\$0	\$0		
*Project applied also for Behavioral Health and Recovery Division funds.									
**Esterra Park is a 2 building project with both a low Income/homeless component and a workforce component.									
	Grand Total		423	\$15,461,342	\$12,631,850	\$6,206,029	\$454,717		

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Community House Mental Health Agency (CHMHA)
Project	23 rd and Jackson Supportive Housing
Location	2212 S. Jackson Street, Seattle
Activity	Acquisition, New Construction, Mixed Use
Funding Priority Area	Behavioral Health & Recovery Division (BHRD)

Affordability and population served

Number of restricted units	52
Number of unrestricted units	1 one-bedroom (Manager's) apartment
Community space features	Meeting rooms, a kitchen, dining room and food bank pantry
Affordability - % of Area Median Income (AMI)	75% (39) will be homeless, remaining 25% (13) will be exiting institution or hospital settings. 100% of the units will be at or below 30% AMI
Population served	Homeless adults living with chronic mental illness
Set-aside units	52
Unit mix	52 studio apartments, 1 one-bedroom (Manager's) apartment

Development budget

Total development budget	\$ 18,191,445	\$ 14,572,533 (residential)
Pending funding	HTF	\$ 750,000
	City of Seattle	\$ 1,631,155
	KC-HCD	\$ 750,000
	CHMHA Equity	\$ 1,243,913 (non-residential)
	WCRA Loan	\$ 2,375,000 (non-residential)
Total capital cost per unit	\$ 343,235	
HFP capital cost per unit	\$ 14,151	
Ratio of HFP to other funds	1:24.1	
Construction cost per sq foot	\$ 469	

Project description

The project entails the new construction of 52 units of housing for people with chronic mental illness, 75% of whom will be coming from homelessness and 25% will be coming from institutional or hospital settings, plus a manager unit, supportive service space for residents, and office space on the second floor for CHMHA. All units will be affordable at 30% of AMI. Services provided to residents will include meal preparation, medication management, life skills and vocational skills training, substance abuse treatment, socialization and other services as needed. The project will be six stories in height plus a below grade garage. The housing units, plus a manager unit, will be on floors three through six. The first floor will include a kitchen, dining area, food bank and lounge as well as case management and medical offices. CHMHA plans to begin construction in September 2017.

Location

The building will be located on several high frequency bus lines (#48, #8, and #14), and within a 10 minute walk of the proposed Rainier light rail station.

Consistency with local plans and priorities

This project meets the Consolidated Plan Goals of intervention and stabilization of people who are homeless, and increasing access to affordable housing. It meets the goals of the All Home Plan by targeting individuals who are exiting from institutions, who are at a higher risk of repeat homelessness, by creating permanent supportive housing for people who are homeless. It meets the goals of the Comprehensive Plan by developing affordable housing near light rail stations and by developing housing in pedestrian-friendly areas that are well served by transit.

Evaluation criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** CHMHA is in compliance
2. **Financial soundness of sponsor agency:** No issues with reporting on the Brierwood Project (only other project KC has investment in). No findings or internal control issues with the 2015 Audit.
3. **Capacity of sponsor agency:** CHMHA has been licensed for, and providing services for over 30 years to the population they intend to serve.
4. **Sustainability of sponsor's portfolio:** All 3 key members of the development team have over twenty years of experience. Chris Szala, Executive Director, has been with the agency since 1991, and supervised the development of 9 housing projects.
5. **Project compatibility with funder priorities:** CHMHA has been licensed for, and providing services for over 30 years to the population they intend to serve. The project is compatible with the County's funding priorities for homeless and individuals with behavioral health needs.

- 6. Suitability of site, design, and services:** Environmental Works prepared preliminary designs for the project. The building will be six stories plus a basement. The upper four floors will be housing. The resident manager will occupy a one bedroom unit on the third floor; all other units will be studios, generally about 300 SF in size. Three units will be ADA accessible. The sixth floor will include a common resident laundry and a landscaped deck. The basement level will consist of below grade parking for 14 vehicles (reserved for staff), a first floor with residential common areas including a kitchen, food pantry, dining area and lounge, plus a day treatment room, two medical offices, a medication room, conference room, laundry and restrooms. A landscaped deck will serve residents and staff. The second floor will include case management and administrative staff offices, an office for the building manager, and a private patio for staff. The basement and first floors will be post tensioned concrete, and the upper five floors will be wood frame.

Services provided to residents will include meal preparation, medication management, life skills and vocational skills training, substance abuse treatment and socialization. The case manager sets up psychiatric medication appointments, keeps abreast of agency operated housing openings and refers clients to this housing when appropriate. Case managers negotiate the complex system of financial disability reviews for social security, and assess client crisis before it impacts their housing. When clients are in stable housing the case manager services, which are provided primarily by the Housing Support Specialist, include a myriad of other tasks to make sure clients remain stable. These services include assistance with shopping, locating food banks, setting up bank accounts, reminders for paying rent, and interventions with landlords and neighbors when problems arise. CHMHA staff will be available 24/7 for crisis management.

- 7. Financial feasibility:** CHMHA owns the property. If they don't receive the requested funding they will hold off on the project until funding is secured.
- 8. Access to transportation:** Next to high frequency bus lines (#48, #8, and #14), connecting to downtown. This project has a walk score of 89 and transit score of 64.
- 9. Evergreen Sustainable Development Standard:** The proposed project earns 57 points on the Evergreen Sustainable Design Standard (ESDS) 3.0 checklist. A threshold of fifty points from the optional elements is required. The significant design decisions reflected in the ESDS checklist include the following: Location and neighborhood fabric, and environmentally preferable materials.
- 10. Equitable geographic distribution:** Located in the City of Seattle
- 11. Tax credit score:** 9% LIHTC score of 163

Services and/or operating support

The provider has a history of serving this population. Total points from HMIS review: 15/25 for program performance and 5/5 for data quality for a comparable project.

BHRD Comments

Proposed services seem reasonable. Sponsor has been licensed and providing services for over 30 years.

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Downtown Emergency Service Center (DESC)
Project	North 96th Supportive Housing
Location	937 North 96th Street, Seattle, WA 98103
Activity (<i>Rental, Homeownership, New Construction, Acquisition, Rehabilitation</i>)	Rental, New Construction
Funding Priority Area (Affordable/Extremely Low Income/Homeless, TOD, or BHRD)	Affordable/Extremely Low Income / Homeless

Affordability and population served

Number of restricted units	98 units
Number of unrestricted units	0 units
Community space features	Intensive supportive services provided onsite. Controlled lobby, 24/7 reception, clinical office space, interview rooms, conference room, social areas, common kitchen, dining room, laundry, bathrooms, and courtyard.
Affordability - % of Area Median Income (AMI)	All units will be at or below 30% AMI.
Population served	Chronically homeless individuals with substance abuse and chronic mental illnesses.
Set-aside units	74 units for people with chronic mental illness. 24 units for people with disabilities.
Unit mix	All units will be 30% AMI or below.

Development budget

Total development budget	\$27,089,638	
Secured funding	None secured.	
Pending funding	HTF	\$1,500,000
	City of Seattle	\$8,239,308
	KC-HFP	\$500,000
	Tax Credit Equity	\$16,850,330.48
Total capital cost per unit	\$276,424.88 per unit	
HFP capital cost per unit	\$5,102.04 per unit	
Ratio of HFP to other funds	1:53.18	

Construction cost per square foot	\$389 per sf.
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Project Description

Downtown Emergency Service Center (DESC) will construct a new building consisting of 98 studio units that will provide permanent supportive housing for chronically homeless adults who suffer from chemical dependency, mental illness, and other disabling conditions. The project will provide on-site supportive services for its tenants. Construction will begin on 9/1/2017.

Location

937 North 96th Street, Seattle, WA 98103.

Consistency with local plans and priorities

Project meets the objectives of the Washington State Consolidated Plan 2015 – 2019 by moving people rapidly from homelessness into housing, providing service-enriched housing for homeless and/or special needs population, assisting homeless persons to obtain appropriate housing, increasing the supply of supportive housing for person with special needs, and making available permanent housing that is affordable to low income persons without discrimination.

The project implements the Housing First model, and is designed to provide intensive services to the hardest people to house. The project supports the Mental Illness and Drug Dependency Action Plan, by reducing the number of chemically dependent, and/or mentally ill people using costly interventions such as jail by providing them with permanent housing options and supportive services.

The project will meet the need of the County's four-year All Home plan by creating housing that meets the needs of households experience homelessness, by specifically providing units to single homeless adults with intense supportive services on-site.

The project also meets the objectives of The All Home Strategic Plan, by being easily accessible, and providing a culturally accessible and competent programming and staff relevant to the specific needs of each individual, and affordable to households at or below 30% of area median income.

North 96th Supportive Housing also addresses the goals of the Housing Element of Seattle's Comprehensive Plan to stop the cycle of recurring homelessness and promoting improved self-sufficiency via permanent supportive housing projects, and to provide supportive services to its clients.

Evaluation Criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** DESC has no pending contract compliance issues.

2. **Financial soundness of sponsor agency:** No issues identified. Sponsor agency is considered low risk, according to the last audit on 12/31/15.
3. **Capacity of sponsor agency:** The development consultant for this project is LIHI, who has a good track record with projects of this type. North 96th Supportive Housing is DESC's only project seeking funding this round. DESC has prior experience working on supportive housing development projects, the previous 11 housing projects have been completed on time and on budget. There is no indication that adding North 96th Supportive Housing to its portfolio would put undue strain on DESC's ability to successfully manage the portfolio.
4. **Sustainability of sponsor's portfolio:** No issues with property management. Vacancy rates are estimated at 2% for the portfolio. DESC Facilities Management team utilizes the Capital Needs Assessment, Reserve Analysis's actual cost data to formulate mid-year and annual budgets. DESC does not currently have a tax credit project within two years of exiting the partnership.
5. **Project compatibility with funder priorities:** The project will provide permanent housing in conjunction with providing intensive supportive services to chronically homeless and mentally ill and disabled adults. The project will be serving households below 30% AMI. Sponsor will participate in Coordinated Entry for All.

Suitability of site, design, and services: There's an operating auto repair shop currently on site. There were findings in the Phase I Environmental Site Assessment for staining due to minor spills that could possible impact soil or groundwater, which required a Phase II Environmental Site Assessment to be conducted. The Phase II Environmental Site Assessment consisted of soil sampling to further assess the extent of previously documented contaminants impacts from the use of the site as an auto service facility. Phase II found additional soil contaminations which will require remediation. The remediation plan includes removal of all contaminates above clean-up level that will be completed during redevelopment. Adapt Engineering, the company that conducted the Phase II Environmental Site Assessment, estimated the cost for remediation to be between \$216,000 and \$288,000, which is higher than the \$100,000 amount listed on the development budget. This shouldn't be an issue since DESC has a 10% contingency budget of \$1,655,862 that could cover the additional remediation costs.

Project will be new construction, designed specifically to meet the needs of the tenants, who are chronically homeless and suffer from mental illness, disabilities, and/ or chemical dependency. Relocation will be needed for four current commercial tenants. Relocation costs will be \$37,500 per tenant.

DESC works in conjunction with the Regional Support Network to provide outpatient mental health services through various programs. RSN support will be located on-site at this housing project.

6. **Financial feasibility:** The total development cost is \$27,089,638, which is considered high for a project of this type.

The appraisal was to be completed on November 4, 2016, after the completion of the

Phase II Environmental Site Assessment in order to include remediation costs in the valuation. We have not received the appraisal.

Operating Budget: DESC is expecting to use McKinney funds to support operations for the project and that residents eligible for the Medicaid benefit which may be used as a funding source for services. Medicaid funding has not been secured yet, but it is very likely that residents will receive the funding and DESC is eligible to administer those funds. More detail on the operating and services funding is provided in the 'Services and/or operating support' section below.

7. **Access to transportation:** Project is located in a walkable neighborhood, and has access to high-capacity transit. Walk Score 81, Transit Score 57, and Bike Score 70.
8. **Evergreen Sustainable Development Standard:** The proposed project earns 53 points on the Evergreen Sustainable Design Standard (ESDS) 3.0 checklist. A threshold of fifty points from the optional elements is required. The significant design decisions reflected in the ESDS checklist include the following:

The project maximizes density, site is a brownfield, site improvements will include landscaping, water conservation efforts will include efficient plumbing layout and design, project will provide centralized laundry, construction waste management, and will use healthy flooring materials.
9. **Equitable geographic distribution:** Project is located in Seattle.
10. **Tax credit score:** 168.

Services and/or operating support (if applicable)

On-site supportive services will be provided for tenants who are experiencing issues with mental illness and chemical dependency. DESC intends to use McKinney funds to support 100% of the units. This is will be in line with the application that DESC submitted this fall to the Continuum of Care program. The project will also match dollars in the form of other funding from the ORS round. Specific information about the ratio between funds will become available as the HUD Continuum of Care competition unfolds. This project will be closely modeled on DESC's Estelle Supportive Housing, which received McKinney funds this fall and applied for match funds in the ORS round.

Provider has history of serving this population. Total points from HMIS review: 16/25 for program performance and 5/5 for data quality for a comparable project.

External Reviewer Comments (if relevant)

It targets a very needy population, and seems to have a well thought through plan of execution of housing plus services combination that this population needs to improve their situation. They appear to have considered ways to minimize the costs of producing this housing, which is critical given that it will not be able to support any debt. The team appears to have significant experience in operating housing and associated programs such as this, also critical factors in projects that require more than just standard housing services.

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Red Vines 1 (an affiliate of Imagine Housing)
Project	30 Bellevue
Location	Bellevue - 3030 Bellevue Way NE, Bellevue WA 98004
Activity (<i>Rental, Homeownership, New Construction, Acquisition, Rehabilitation</i>)	Rental, New Construction
Funding Priority Area (Affordable/Extremely Low Income/Homeless, TOD, or BHRD)	Affordable/Extremely Low Income/Homeless

Affordability and population served

Number of restricted units	62
Number of unrestricted units	-
Community space features	Community kitchen connected to a common room.
Affordability - % of Area Median Income (AMI)	31 units at or below 30% AMI, 16 units at or below 40% AMI, 15 units at or below 60% AMI
Population served	Individuals, couples, small families
Set-aside units	31 units for homeless of which 19 units for homeless families with children; 13 units for individuals with disabilities, of which 3 units set aside for adult individuals with developmental disabilities
Unit mix	7 studios, 30 one-bedrooms, 15 two-bedrooms, 10 three-bedrooms

Development budget

Total development budget	\$ 23,231,540	
Secured funding	ARCH	\$442,571
	Deferred Dev Fee	\$100,000
	GP Equity	\$1,364
Pending funding	King County	\$2,000,000
	State HTF	\$2,000,000
	Private Debt	\$4,800,000
	LIHTC Equity	\$13,455,175
	ARCH	\$432,429
Total capital cost per unit (residential)	\$374,702	
HFP capital cost per unit	\$32,258	

Ratio of HFP to other funds	1:11.84
Construction cost per square foot \$14,585,948, 63,000 sq ft.	\$ 261

Project Description

30 Bellevue is planned as the new construction of a four story building over one story of concrete structured parking, creating 62 units of permanent affordable housing on an existing church campus property. All units will be affordable to households ranging from at or below 30% AMI, up to 60% AMI. Thirty-one units will be set aside for homeless households and families with children and thirteen additional units set aside for individuals with disabilities including three units specifically for individuals with a developmental disability.

The ground level floor will feature a management office, space for a service provider, an elevator lobby, mail boxes, and trash and recycle room, and structured parking. The first floor will feature a community kitchen connected to a common room and a central laundry space. The far north portion of the building will only have three floors of housing due to zoning requirements, which will allow for a stepped down rooftop amenity space.

Located in the Northtowne neighborhood of Bellevue, it is within walking distance to transit, jobs, schools, urban conveniences, and natural parks.

Construction: 8/1/2017 – 8/31/2018

Location

3030 Bellevue Way NE, Bellevue WA 98004

Consistency with local plans and priorities

The project addresses the priorities of the Consolidated Plan, Comprehensive Plan (Housing Element) and the Community Revitalization Plan per Washington State Housing Finance Commission (WSHFC) policies 6.14 and 6.15 by creating new permanent affordable rental housing units targeting individual and family households at or below 50 of local area median income. The project also addresses the County's four-year All Home plan by creating housing that meets the needs of households experience homelessness, increasing access to permanent affordable rental housing units targeting individual and small family households transitioning out of homelessness.

Evaluation Criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** Red Vines 1 is in compliance with existing King County contracts.
2. **Financial soundness of sponsor agency:** Audited financials for the last three years have had unmodified opinions with no material weaknesses in internal control over financial reporting and no findings of noncompliance. Current ratios of assets to liabilities has been robust with one exception that was anomalous with a satisfactory

explanation.

3. **Capacity of sponsor agency:** Sponsor relies on professional property management for all its properties and therefore no concerns regarding sponsor's ability to own and operate its current portfolio. Addition of another property of the type and size represented in this application to their portfolio at this time is not a concern.
4. **Sustainability of sponsor's portfolio:** Sponsor has a comprehensive Asset management program that includes benchmarking and the tracking of property and portfolio performance. Benchmarking program has allowed Sponsor to increase net operating income by 37% across the portfolio in addition to substantially reducing expenses and vacancy loss over the last several years. Sponsor completed a full Capital Needs Assessment for the portfolio in 2010 and completed an update in 2015. Since 2010, the Sponsor has completed over \$3m in capital repairs across 10 properties. Sponsor has also implemented a comprehensive preventative maintenance plan and began energy benchmarking in 2014 with an energy plan implementation in 2015.
5. **Project compatibility with funder priorities:** The project meets the priorities set by the King County Housing and Community Development Program by providing affordable rental housing for homeless and low-income individuals and families.
6. **Suitability of site, design, and services:** Early design sketches are well thought out and sufficiently developed for an experienced contractor to provide a good estimate of the planned construction details. The design describes a quality building that will serve the needs of its residents and to some extent the surrounding community.

Services, coordinated by the Resident Support Specialists, will include case management, housing and family stability, youth engagement, care coordination, support in accessing public transportation, referrals to resources, enriching classes, and community building activities.

7. **Financial feasibility:** The proposed financing structure is typical of a low income affordable multi-family project intending to use low income housing tax credits. Tax credit equity pricing of \$1.05 seems to be affirmed by the numerous letters of interest from several equity investors at this early stage. An independent review consultant indicates a construction budget that is likely to be high in comparison to construction scope once design is completed. Consultant also indicates that 30 Bellevue has a high likelihood of being successfully implemented and completed as budgeted.
8. **Access to transportation:** Located on Bellevue Way, a major north/south arterial, the project will be highly accessible to public transportation via transit lines 243, 249 and 280 and a transit center 1.2 miles away operating seven days a week. This project achieved "walking and transit" scores of 48 and 43 out of 100, respectively.
9. **Evergreen Sustainable Development Standard:** The proposed project earns 61.5 points on the Evergreen Sustainable Design Standard (ESDS) 3.0 checklist. A threshold of 50 points from the optional elements is required for new construction projects.

The significant design decisions reflected in the ESDS checklist include the following: universal design, additional reduction of energy use (HVAC, lighting, and renewable energy systems), photovoltaic/solar hot water ready, central laundry, construction waste management, enhanced building envelope design

10. **Equitable geographic distribution:** This project is located in the City of Bellevue.

11. **Tax credit score** : 9% LIHTC score of 158

Services and/or operating support (if applicable): 1.5 FTE case management devoted to the homeless households should be adequate, but could go up depending on their coordination with the behavioral health support services.

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Low Income Housing Institute (LIHI)
Project	Renton Commons
Location	215 Whitworth Avenue South, Renton
Activity	New Construction
Funding Priority Area	Permanent Supportive Housing for homeless families with children, homeless veterans, and low-wage workers.

Affordability and population served

Number of restricted units	47
Number of unrestricted units	1 (Manager's Unit)
Community space features	Classroom, community room with kitchen, computer lab, library, games area and residential lounge and children's play area.
Affordability - % of Area Median Income (AMI)	24 units at or below 30% AMI and 23 units at or below 50% AMI
Population served	Homeless families with children, homeless veterans, and low-income households
Set-aside units	14 units for U.S. Military Veterans and 22 units for formerly homeless families with children.
Unit mix	4 studios, 19 one-bedrooms, 19 two-bedrooms, 5 three-bedrooms

Development budget

Total development budget	\$ 18,068,933	
Secured funding	None Secured	\$
Pending funding	State Housing Trust Fund	\$2,930,000
	KC-HCD	\$3,383,200
	Other (Developer Fee, Equity, etc.)	\$58,718
	FHLB	\$479,952
	Tax Credit Equity	\$11,217,062
Total capital cost per unit	\$376,436	
HFP capital cost per unit	\$71,983	
Ratio of HFP to other funds	1 to 4.31	
Construction cost per square foot	\$391	

Project Description

The project entails the new construction of five stories of wood construction over one story of concrete construction to create 48 units of homeless and affordable rental housing. Of the 36 homeless units, 26 will benefit from Project-Based Vouchers. Sound Mental Health (SMH) will provide on-site supportive services for all homeless residents under a Memorandum of Understanding with LIHI.

Location

The project is across the street from Renton High School and the Renton IKEA Performing Arts Center and adjacent to the Harambee Church, an organization with after-school programs for school-aged children. Nearby businesses include Safeway grocery, Starbucks, Walgreens, McLendon Hardware, Bank of America, Chase Bank, and T-Mobile.

Consistency with local plans and priorities

The project addresses the County's four-year All Home plan by creating housing that meets the needs of households experience homelessness, increasing access to permanent affordable rental housing units targeting individual and small family households transitioning out of homelessness. Renton Commons will also target several subpopulations of homeless with set-asides units for veterans, families, and individuals.

Renton Commons will fill a need identified in the Renton Comprehensive Plan for more rental units for very low-income households and will address the goal to locate new housing in proximity to public transit and employment.

The proposed project is consistent with the King County Consortium Consolidated Housing and Community Development Plan's Affordable Housing Objective by: preserving and expanding the supply of affordable rental housing for very low and moderate income households, including households with special needs. In addition the project meets the Homelessness Objective of creating a range of permanent affordable housing options for homeless households.

Evaluation Criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** Sponsor is currently in compliance with HCD contract requirements.
2. **Financial soundness of sponsor agency:** No concerns have been identified.
3. **Capacity of sponsor agency:** The project appears to be well within LIHI's capacity. LIHI has no other projects identified under development, having recently completed a 49 unit apartment complex in the University District of Seattle.
4. **Sustainability of sponsor's portfolio:** LIHI staff review key dashboard measures including revenues, vacancy rate, collections, the number of days to make vacancies rent-ready, and expenses monthly. Capital needs assessments have been done for all LIHI properties. Tax credit exit strategies include refinancing and transition plans

that begin well in advance of Year 15.

5. **Project compatibility with funder priorities:** Permanent housing with supportive services for very low-income families and individuals continues to be a key component in the affordable housing continuum. Housing for homeless families and individual is an important priority of the Human Services Levy.
6. **Suitability of site, design, and services:** The building is L-shaped with large vertical bay windows and recesses to reduce the perceived size of the structure. The proposed design and services appear suitable for the population to be served.
7. **Financial Feasibility:** Construction concept is farther along than usual and it is likely that the project will be ready to break ground in spring 2017. Final construction pricing is unlikely to exceed the current estimate as a result. Construction costs are higher than similar projects this round. LIHI maintains this is due to commercial wage rates, impact fees charged by the City of Renton, a foundation system that accounts for seismic solidity, and off-site infrastructure enhancements required by the jurisdiction and downtown development standards added to cost.
8. **Access to transportation:** The site is well served by transit and is a 4-minute walk to the Renton Transit Center where the RapidRide F Line bus serves the Burien Transit Center, Tukwila International Boulevard Station, Southcenter Mall, and The Landing.
9. **Evergreen Sustainable Development Standard:** The project scores a 54 on the EDS 3.2 Checklist. King County is financing acquisition. The significant design decisions reflected in the ESDS checklist include the following: Universal Design Elements to accommodate all abilities; Drought tolerant species; water-conserving fixtures; hard surface flooring; construction waste management plan; materials that reduce the heat-island effect; enhanced building envelope design; and education for residents Green Building topics
10. **Tax credit score:** 175

Services and/or operating support (if applicable)

LIHI has a history of serving this population scoring a total of 15/25 for program performance and 5/5 for data quality for a comparable project under HMIS review.

External Reviewer Comments (if relevant)

The hard costs seem reasonable for the property. LIHI is a good developer and has the capacity to complete the project.

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Mental Health Housing Foundation (MHHF)
Project	Auburn Homestead
Location	105 D Street SW, Auburn
Activity (<i>Rental, Homeownership, New Construction, Acquisition, Rehabilitation</i>)	Rental –Acquisition/New Construction (redevelopment of existing D St. Homes project)
Funding Priority Area (Affordable/Extremely Low Income/Homeless, TOD, or BHRD)	Affordable/Extremely Low Income/Homeless and Behavioral Health and Recovery Division (BHRD)

Affordability and population served

Number of restricted units	11 units (19 beds)
Number of unrestricted units	0
Community space features	Lobby common space and shared laundry. There will be 7 parking spaces.
Affordability- % of Area median Income (AMI)	100% below 30% AMI
Population served	Chronic mentally ill adults
Set-aside units	7 beds for homeless adults and 12 for adults exiting hospital or institutional settings that may or may not be homeless.
Unit mix	One bedrooms – 1, two bedrooms – 9 1 resident manager unit

Development budget

Total development budget	\$ 3,733,865	
Secured funding	None secured	\$
	Other: Developer Land Equity	\$278,000
Pending funding	KC-HCD	\$1,955,865
	HTF	\$1,500,000
Total capital cost per unit	\$339,442 per unit; \$196,519 per bed	
HFP capital cost per unit	\$177,806 per unit; \$102,940 per bed	
Ratio of HFP to other funds	1: .91	
Construction cost per square foot	\$240	

Project Description

Auburn Homestead involves the re-development of the existing D Street Homes project in Auburn into two buildings containing 11 units of permanent affordable housing for 19 chronic mentally ill adults, plus one resident manager. Since 1992 the D Street Homes has provided eight beds of permanent supportive housing for very low income chronic mentally ill adults in two single-family homes. MHHF purchased a third single family home adjacent to D Street Homes and will demolish all three houses at 101/105/111 D Street SW in order to rebuild two buildings comprised of the 11 units.

The eight existing residents will be temporarily relocated and be able to return when the project is completed. Seven of the new beds will be reserved for people who were homeless prior to their tenancy, referred through the Coordinated Entry System. The remaining 12 beds will provide housing for mentally ill individuals coming from institutional or hospital settings such as Western State or Harborview.

Supportive services and related funding are provided through Sound Mental Health (SMH). SMH currently provides services to the D Street Homes residents.

Construction is expected to begin 8/1/2017.

Location

This site is located in Auburn, just a few blocks away from City Hall. The immediate neighborhood consists of smaller homes and the area has been re-zoned to encourage greater housing density.

Consistency with local plans and priorities

The project addresses the County's four-year All Home plan by creating permanent supportive rental housing units targeting individuals with chronic mental illness, 7 of which will be homeless and the remainder coming from institutional settings, a key population to be served by the County's BHRD division.

This project also achieves the objectives of the City of Auburn Comprehensive Plan/Housing Element, and its Consolidated Plan, by developing affordable housing in a transit corridor in a neighborhood which has been targeted for re-development. The project will help address homeless and special needs housing in Auburn.

Evaluation Criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** Sponsor is in compliance.
2. **Financial soundness of sponsor agency:** Financial statements are satisfactory. Approximately \$2.68MM of the liabilities are attributable to forgivable loans therefore the net worth appears to be negative. Some internal controls were identified and policies put in place to rectify the issues noted.
3. **Capacity of sponsor agency:** Sponsor has 25 years of serving this population and

operating shared housing with currently 12 shared single family homes in operation with household sizes that range from three to six.

4. **Sustainability of sponsor's portfolio:** The Sponsor has not conducted a comprehensive portfolio analysis but this has become a priority for the Board in 2017.
5. **Project compatibility with funder priorities:** The project is serving chronically mentally ill adults under 30% AMI with seven beds set aside for homeless individuals and 11 set aside for individuals coming from treatment facilities or hospitals. This is compatible with King County and the State's priorities.
6. **Suitability of site, design, and services:** The 2 bedrooms all are approximately 800 square feet to allow for each bedroom to have its own bathroom, small sitting area and mini fridge as well as a microwave to create as much privacy as possible. Each bedroom will have its own lock and mailbox. MHHF will work to pair up compatible residents. It is their experience that roommate conflicts usually arise around cleaning, food and bathrooms which the project expects will be mitigated through the design. Each unit will share a kitchen and larger living area. There is ample outdoor space with a picnic area and grill as well as a covered area reserved for smoking. The buildings themselves will be non-smoking.

Services are to be provided by Sound Mental Health (SMH) via the Medicaid benefit and will include mental health services, case management, support services for substance abuse issues, life skills, health care, and employment assistance. A multidisciplinary team is stationed at SMH outpatient clinics and these services would take place at the SMH clinic, not on-site. The .25 Full Time Employee (FTE), at minimum, would be designated to provide housing support services on-site, as needed. The Sponsor would request that this .25 FTE be funded through subsequent ORS funding. Services will be available based on an individual assessment and treatment plan. All residents are expected to be Medicaid-eligible, and all services provided by SMH will be Medicaid funded.

7. **Financial feasibility:** The project does rely on obtaining 4 Section 8 Project Based Vouchers (PBVs). The pro forma does show declining cash flow. Additional operating support may be required in the out years. MHHF has stated that in their experience, their projects do not actually run in the red. However, if that were the case they have the capacity to raise additional private financing as needed to fund any improvements or initiatives as needed.

There are 2 fuel storage tanks on the site, one underground (UST) and one above ground (AST). The cost to remove both fuel storage tanks is \$3,000.00. The AST is empty and has not been utilized in decades and the inspection of the area around that tank, located inside and elevated in an attached shed, indicated no problems with spilled fuel. The UST is currently used and according to the Sponsor is covered by the State of Washington insurance program for underground oil tanks. If it is determined that the tank is leaking when removed insurance is expected to pay for the cleanup costs. However, the Sponsor has noted that if there is some reason that insurance program does not pay for the cleanup, the costs would be absorbed in the contingency budget, and is typically no more than \$10,000.

The existing D Street Homes project as of September 30, 2016, shows a balance

due to the State of Washington of \$26,637 and the amortized County contribution balance is \$42,683. These obligations are also secured by a house at 222 D St SW, which will continue to operate. If funded the County and State would need to address the existing covenants and liens.

8. **Access to transportation:** The project is located within .2 miles of the Sounder Train, and several buses such as the 566, 567, 578, and the Metro Bus lines 180,181,186,910 and 917.
9. **Evergreen Sustainable Development Standard:** The proposed project earns 60 points on the Evergreen Sustainable Design Standard (ESDS) 3.0 checklist. A threshold of fifty points from the optional elements is required.

The significant design decisions reflected in the ESDS checklist include the following: maximizing density, water metering and surface water management, healthy flooring material and enhanced building envelope design.

10. **Equitable geographic distribution:** The project is located in Auburn, South King County
11. **Tax credit score:** N/A

Services and/or operating support

This sponsor is new to ORS, although its service partner, SMH, is a strong service provider and has utilized ORS funding in other projects/awards. Total points from HMIS review: 15/25 for program performance and 5/5 for data quality for a comparable project.

BHRD Comments

The Sponsor is contracting with a state licensed mental health provider. The onsite staffing level of a .25 FTE should be increased 1.0 FTE. This will be a requirement for funding.

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Home Community Land Trust (HCLT)
Project	Riverton Park
Location	3118 S 140th St. Tukwila, WA 98168
Activity (<i>Rental, Homeownership, New Construction, Acquisition, Rehabilitation</i>)	Homeownership, New Construction
Funding Priority Area (Affordable/Extremely Low Income/Homeless, TOD, or BHRD)	Affordable Housing/Extremely Low Income/Homeless

Affordability and population served

Number of restricted units	11 homes
Number of unrestricted units	0 units
Community space features	No community space for this project.
Affordability- % of Area Median Income (AMI)	11 homes with household incomes between 60% to 80% AMI. Unit price range is \$223,000 - \$182,000, average price is \$209,000.
Population served	Qualifying low income homebuyers. 10 units for families with children and 1 unit for individuals.
Set-aside units	0 units.
Unit mix	1 two-bedroom, 6 three-bedrooms. 4 four-bedrooms.

Development budget

Total development budget	\$ 5,460,181	
Secured funding	HTF UHEE	\$ 600,000
	KC Master Builders	\$ 32,000
Pending funding	Sale of homes	\$ 2,304,000
	HTF	\$ 550,000
	KC-HF	\$ 825,000
	Bank	\$ 330,000
	SHOP	\$ 165,000
	Capital Campaign	\$ 654,181
Total capital cost per unit	\$496,380.09 per unit	
HFP capital cost per unit	\$75,000 per unit	

Ratio of HFP to other funds	1:5.62
Construction cost per square foot	\$267 per sf.

Project Description

Homestead Community Land Trust will construct 11 new detached single family homes for qualified low income homebuyers for Phase I of the planned total 31-34 homes on the land currently owned by Riverton Park United Methodist Church. HCLT will also prepare three lots to be purchased by Parkview for the Riverton site. Construction is set to begin on 3/8/2018.

Location

3118 S 140th St. Tukwila, WA 98168

Consistency with local plans and priorities

The Riverton Park project is consistent with Tukwila's Comprehensive Plan. The project will provide affordable homes to low income residents, and encourage homeownership to a larger range of residents, and in turn support longer term residency and neighborhood stability. The project will also provide newer housing stock in the city. Most family homes in Tukwila were constructed between 1960 and 1980, requiring more money for maintenance. This can be difficult for residents who are already burdened by other economic stressors such as paying more than 30% of their income for housing.

Evaluation Criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** Homestead is in compliance on existing contracts.
2. **Financial soundness of sponsor agency:** No issues were identified. Sponsor agency considered low risk according to the last audit on 12/31/2015.
3. **Capacity of sponsor agency:** The development consultant for this project is Centerra, who has a good track record with projects of this type. HCLT is currently working on Renton Sunset, a new construction multi-family project which is both on time and on budget. The last completed project by HCLT was Columbia 26, a rehabilitation of single family homes, which was not completed on time or on budget. King County did not help fund Columbia 26. Prior projects have been completed on time and on budget.
4. **Sustainability of sponsor's portfolio:** No issues, this is a homeownership project.
5. **Project compatibility with funder priorities:** The project will provide for sale homes to low income families earning up to 80% AMI. The City of Tukwila is highly

supportive of this project. The Housing Trust Fund (HTF) has mentioned homeownership is not a priority this year.

- 6. Suitability of site, design, and services:** The project is a community land trust homeownership development that will provide housing stability and asset-building benefits to buyers who make between 60% - 80% AMI. The area has low homeownership rates, high poverty rates, and has a high risk for gentrification and displacement, particularly with minorities. This project will be phase 1 of a multi-phase plan to build a total of 31 – 34 homes on the site. Phase 1 will included construction of 11 detached single-family homes and the preparation of three lots for the Parkview Riverton project.

The sponsor is proposing a higher density project on the lots that are smaller than allowed by underlying zoning. Tukwila is eager to work on a development agreement for the site so that the schedule is not delayed by the renewal of the overlay. This will require approval from city council. The development permit process will run parallel to the zoning review process, so there will not be additional steps. It is estimated that permits will be issued July 2017. HCLT does not expect any schedule impacts associated with the development agreement. HCLT will have exclusive access for feasibility until January 2017, and a letter indication to enter into a purchase and sale agreement subject to KC funding.

No existing buildings on the land, therefore no relocation is needed. The phase 1 environmental study has not been completed.

- 7. Financial feasibility:**

TDC is \$5,460,181. Construction costs are within the anticipated range. Grants will fund the reduction in price of homes to below market rate. Grants include; Master Builders Grant for \$32,000 which has been committed and the Capital Budget Award for \$654,181, which HCLT is waiting to hear back from the Department of Commerce regarding the conditions and performance requirements.

- 8. Access to transportation:** Site is located within a mile of Tukwila International Blvd Light Rail Station. Walk Score 53 and Transit Score 36.

- 9. Evergreen Sustainable Development Standard:** The proposed project earns 60 points on the Evergreen Sustainable Design Standard (ESDS) 3.0 checklist. A threshold of fifty points from the optional elements is required. The significant design decisions reflected in the ESDS checklist include the following:

The units will provide a tight building envelope with very low air leakage rates, provide a greater amount of thermal insulation than is required by code, will be designed in a way to take advantage of interior solar heat gains in the winter, provide heat recovery ventilation or other means to ensure indoor air quality and ventilation, provide a solar photovoltaic energy generation system.

The project will incur additional construction costs due to the installation of the Phase 1 Net Zero (Solar) system in each home. The Housing Trust Fund – Ultra-High Energy Efficient Fund, UHEE, has committed \$600,000 to make all units Phase 1 Net Zero (Solar) and utilize passive house energy standards. The goal of the net zero energy project is to produce as much energy as it consumes, helping

homeowners save on operating costs in the long-run.

10. Equitable geographic distribution: Project is located in Tukwila.

11. Tax credit score : N/A

External Reviewer Comments (if relevant)

Emphasis on affordable single family homeownership. Focus on large size units are badly needed. Homestead will continue to own the land making it affordable in the long term. Homeownership to underserved populations is an important part of the continuum of affordable housing.

Note:

This application for Riverton Park does not include construction costs for the Parkview XIV homes. HCLT will prepare lots for purchase by Parkview XIV at the Riverton site. Homestead will conduct the Phase I Environmental study, purchase the land, plat it, and put in the infrastructure for thirteen lots. Parkview will purchase three lots from HCLT. It is unclear whether both projects will be using the same contractor and subcontractors. Further discussions will be had between Parkview and HCLT regarding this matter.

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Parkview Services
Project	Parkview Homes XIV - Riverton Park
Location	3118 S 140th St, Tukwila
Activity	New Construction
Funding Priority Area	Affordable/Low-Income/Homeless

Affordability and population served

Number of restricted units	2 homes (8 beds)
Number of unrestricted units	0
Community space features	None. Project consists of two single family homes
Affordability- % of Area Median Income (AMI)	2 units at or below 30% AMI
Population served	Developmentally Disabled
Set-aside units	Eight beds for developmentally disabled people
Unit mix	2 two-bedroom homes

Development budget

Total development budget	\$ 1,104,500	
	Sponsor	\$ 9,000
Pending funding	State Housing Trust Fund	\$895,000
	KC-HCD	\$200,000
Total capital cost per unit	\$552,250	
HFP capital cost per unit	\$100,250	
Ratio of HFP to other funds	1 to 5.5	
Construction cost per square foot	\$255	

Project Description

The project entails the new construction of two four-bedroom homes on two lots in Homestead Community Land Trust's proposed Riverton Park development of the property located at 3118 S 140th St, Tukwila. The project is designed in cooperation with Homestead CLT's larger single family home development. Homestead will develop the lots and Parkview will purchase two homes within the development. The project will support (8) extremely low-income individuals with an intellectual and developmental disability (IDD).

Location

The project is located in an area with one of the highest walk scores in Tukwila (55), compared with 45 overall. It is served by traditional and Halal grocery stores and two bus lines, 124, which runs right next to the property, and 128 which runs on Tukwila International Boulevard, both lines feeding into the Tukwila Light Rail station. There is a Park and Ride lot within .8 miles of the development.

Consistency with local plans and priorities

The project's tenants and locations were identified by Developmental Disabilities Administration (DDA) and the service providers as being a high priority. The project is one half mile from the Tukwila Village “node” area designated as a priority in the Tukwila Comprehensive Plan. This is intended as an area of strategic investment to attract residential development in an urban village concept.

Evaluation Criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** Sponsor is currently in compliance with HCD contract requirements.
2. **Financial soundness of sponsor agency:** Parkview has addressed internal control issues noted in their 2015 audited financial statements.
3. **Capacity of sponsor agency:** This is essentially a turnkey project entirely dependent upon the ability of Homestead CLT to assemble financing and develop the parcels. Any risk associated with this particular proposal is mitigated by the fact that no funds would be released until the homes were completed by Homestead.
4. **Sustainability of sponsor's portfolio:** King County finds no issues with the continued sustainability of this portfolio.
5. **Project compatibility with funder priorities:** The project will meet the county priority of creating housing for extremely low income individuals with special needs.
6. **Suitability of site, design, and services:** Parkview Services will use a proven, successful model to deliver services under the direction of the DDA. Parkview also has a proven effective design but it is unclear how this will work with the standard homes to be built by Homestead CLT.
7. **Financial Feasibility:** Purchase price is unclear. Parkview Services will purchase the lots from HCLT at a price not to exceed the appraised price. However the price will also reflect the value of pro-rated infrastructure improvements thus conflicting with the appraised approach. An agreement specifying which costs are shared costs and how those will be allocated among lots is not yet in place.

8. **Evergreen Sustainable Development Standard:** The project scores a 98 on the EDS 3.2 Checklist. King County is financing acquisition. The significant design decisions reflected in the ESDS checklist include the following: Air sealing to achieve 2.0 or lower air changes per hour at 50 Pa, 100% electric power to be achieved via community solar approach and solar hot water heaters.

9. **Tax credit score:** NA

Services and/or operating support (if applicable)

NA. Individuals with an intellectual and developmental disability will receive 24/7 in-home support services by a service provider contracted with an identified by the DDA.

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Parkview Services
Project	Parkview Homeownership 9
Location	Scattered Sites – to be determined
Activity	Homeownership – Down Payment Assistance
Funding Priority Area	Affordable/Extremely Low Income/Homeless

Affordability and population served

Number of restricted units	Five
Affordability - % of Area Median Income (AMI)	Five homes for buyers with incomes at or below 80 percent AMI
Population served	Income-qualified households with at least one family member with a developmental disability.
Unit mix	Five single family homes, condominiums, town homes or manufactured homes.

Development budget

Total purchase assistance	\$ 3,535,517	
Secured funding	City of Everett / Snohomish County	\$256,380
Pending funding	KC - HCD	\$175,000
	1 ST Mortgage	\$2,194,000
	HTF	\$600,000
	WSHFC	\$196,750
	Federal Home Loan Bank Grant	\$99,000
	Homebuyer Contribution	\$14,387
Total purchase cost per unit	\$ 321,851	
HFP capital cost per unit	\$ 35,000	
Ratio of HFP to other funds	1: 0.19 (the request to KC is for 5 of 12 homes)	
Construction cost per sq foot	NA	

Project description

Parkview has requested funds to provide deferred down payment assistance loans to assist at least twelve first-time homebuyers who are individuals with a developmental disability or families that have at least one family member with a developmental disability. At least five of those loans will be in King County outside the City of Seattle. Parkview is proposing to serve five households whose incomes are at or below 80 percent of AMI. The proposed King County contribution would be one of several down payment assistance loans needed by these households to bridge the gap between current purchase prices and an affordable monthly payment (debt service). Proposed loan terms include 0% simple interest, deferred payments, a declining balance for shared appreciation and a 30 year term. Parkview estimates the first home would close in June 2017.

Location

Each site will be identified by the homebuyer based on their needs and ability to purchase, and approved for acquisition by Parkview Services.

Consistency with local plans and priorities

The proposed project is consistent with, and responsive to, local housing needs articulated in King County's approved Consolidated Plan. Specifically, the proposed project responds to the Affordable Housing Objective #2 - Preserve the housing of low to moderate-income home owners, and provide home ownership assistance programs for low and moderate income households that are income eligible.

Evaluation criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** Parkview Services is in compliance with existing King County contracts.
2. **Financial soundness of sponsor agency:** Parkview Services has addressed internal control issues noted in their 2015 audited financial statements.
3. **Capacity of sponsor agency:** No concerns over capacity, however previous projects have required extension on time to complete and sell all houses. Parkview has 52 properties spread over a large area within King County.
4. **Sustainability of sponsor's portfolio:** King County finds no issues with the continued sustainability of this portfolio.
5. **Project compatibility with funder priorities:** The proposal is consistent with funder priorities to provide homeownership opportunities for low income families in areas where they are needed. However, it should be noted that homeownership is not a priority for the Housing Trust Fund this round and the County is prioritizing funding for extremely low income and homeless projects as well.
6. **Suitability of site, design, and services:** Homes to be purchased will meet or can easily be adapted to meet the mobility needs of their households.

7. **Financial feasibility:** The project appears feasible, blending local funds and program income to fund purchase assistance.
8. **Access to transportation:** Each site will be identified by the homebuyer based on their needs and ability to purchase, and approved for acquisition by Parkview Services.
9. **Evergreen Sustainable Development Standard:** ESDS checklist is not applicable with this application for down payment assistance.
10. **Equitable geographic distribution:** Each site will be identified by the homebuyer based on their needs and ability to purchase, and approved for acquisition by Parkview Services.

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Imagine Housing
Project	Esterra Park
Location	Block 6B of the Esterra Park Master Plan, Redmond
Activity (<i>Rental, Homeownership, New Construction, Acquisition, Rehabilitation</i>)	Rental, New Construction
Funding Priority Area (Affordable/Extremely Low Income/Homeless, TOD, or BHRD)	TOD & Affordable/Extremely Low Income/Homeless

Affordability and population served

Number of restricted units	200 units of which 40 would be provided in the 9% tax credit condo and 160 would be provided in the 4% tax credit condo
Number of unrestricted units	20 units unrestricted as “market rate” in the 4% condo building.
Community space features	Structured parking, community room with a communal kitchen with Wi-Fi internet connection, flexible meeting spaces are also anticipated. The YMCA will have 12,000 sf space.
Affordability - % of Area Median Income (AMI)	20 units at 30% AMI, 20 units up to 50% AMI, 160 units up to 60% AMI and 20 units unrestricted market units at below market rents. Total of 220 units. (Sponsor has indicated in their response to clarifying questions that there may be ability to increase the total unit count up to 256 units – of which 56 would be market rate and 200 would be affordable. No revised financials were provided.)
Population served	Workforce, families with children and 20 homeless families.
Set-aside units	20 homeless (anticipates Section 8 vouchers for 8 at or below 30% and 8 at or below 60%)
Unit mix	80 studios, 110 one bedrooms, 30 two bedrooms.

Development budget

Total development budget	\$ 65,023,086 total (\$50,175,190 for 4% and \$14,847,896 for 9%)	
Secured funding	None secured	\$ 0
Pending funding	Bank	\$21,555,647
	Other: Developer Fee	\$2,519,125
	Other: Impact Investing	\$5,700,000
	KC-HCD	\$12,100,000

	ARCH	\$2,998,046
	Tax Credit Equity	\$20,170,267.60
Total capital cost per unit	\$295,559 per unit (based on 220 units)	
HFP capital cost per unit	\$60,500 per affordable unit; \$55,000 per total units	
Ratio of HFP to other funds	9% - 1:4.94; 4% - 1:4.23	
Construction cost per square foot	\$193 (9%) and \$309 (4%)	

Project Description

Block 6B at Esterra Park is a proposed 220 unit, new construction project in the master planned community of Esterra Park nearby the Microsoft campus in Redmond, WA. There will be one building on Block 6B for aesthetic purposes, but it will consist of two buildings as separate condos for financing and legal purposes. The building will be five levels of wood construction over one or two levels of structured parking with community and amenity space.

Building one's unit mix will consist of 70 studios, 110 one-bedrooms, and a 12,000 square foot YMCA. Building two's unit mix will consist of 10 studios and 30 two-bedrooms. The units will be affordable to households with incomes at or below 30% of area median income (AMI) (roughly \$18,000 for an individual) and up to 60% of AMI (roughly \$54,000 for a family of four), and will include 20 units of market rate units with rents set approximately 20% below market. Twenty apartments will be set aside for families experiencing homelessness, of which 16 are expected to be supported with Section 8 project based vouchers with 8 reserved for households at or below 30% of AMI and 8 reserved for households at or below 60% AMI.

Esterra Park is a master planned community being developed by Capstone which is approximately 15% developed near the Microsoft campus in Redmond, WA. The Master Plan for Esterra Park includes a hotel, multiple office buildings, retail shops, a 2.67 acre park and 1,400 market rate units at and above 100% of AMI with a 10% affordability requirement. The 10% requirement would only build 140 units for residents earning up to 80% of AMI, the proposed Block 6B project provides for additional affordability beyond the 10% requirement under the plan.

Construction is expected to commence in 2018.

Location

The project is located in Redmond as part of a master redevelopment plan. The site is located 0.1 mile to the Overlake park and ride and to the proposed light rail station.

Consistency with local plans and priorities

The project is consistent with the following local plans and priorities:

King County Comprehensive Plan/Housing Element: The project as proposed is expected to serve a range of incomes at 30%, 50%, 60%, and 100%+ of AMI with a set aside for homeless households. Located in a high opportunity area close to public transportation and other neighborhood amenities.

Local Plan to End Homelessness: This project will contain at least 20 units for individuals or

families exiting homelessness and will provide on-site childcare and supportive services to residents who have experienced homelessness.

Redmond's Comprehensive Plan (Redmond 2030): Collaboration with the City and private developer and provides a mix of housing for all income levels, including those earning less than 50% and less than 30% of AMI. This project utilizes an innovative combination of impact capital, 9% and 4% tax credits, and market-rate rents to support a diversity of housing types and income levels.

Evaluation Criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** Sponsor is in compliance on all existing contracts.
2. **Financial soundness of sponsor agency:** No concerns were noted when reviewing the audited financial statements.
3. **Capacity of sponsor agency:** Capacity is a concern for taking on such a large and complex project utilizing two financing structures on the same site. The Sponsor has not developed at this scale before and the Executive Director recently left, there is cause for concern that the interim and then the new director may not support this direction. The Interim Director was just selected. The Sponsor currently has one project under construction and another application in to HCD which is the priority for funding. The application submitted had several unanswered questions and the structure of the project seems to be still in flux according to the responses received to the Clarifying Questions, there is potential to do a larger project up to 256 units.
4. **Sustainability of sponsor's portfolio:** The Sponsor has a comprehensive Asset Management program which includes benchmarking and tracking of property as well as portfolio performance. The portfolio is in good condition and the Sponsor has provided an update to the capital needs and portfolio plan. There is one project exiting its tax credit period in 2018 and the Sponsor is starting that analysis now.
5. **Project compatibility with funder priorities:** The project is adequately located for TOD priorities and an interesting project anticipating to provide for a full range of household income levels. However, the unit mix is still in flux so it is difficult to determine how the whole project is being programmed and will fit priorities. The homeless components needs further vetting in regards to the AMI levels and whether Section 8 PBV's would be available for this project. Currently vouchers have been prioritized for very low income households.
6. **Suitability of site, design, and services:** The project is part of a larger redevelopment site that includes market rate housing, offices and commercial components. There are no environmental issues noted; however the external construction consultant noted that the construction costs are currently 11% below

today's market. Given the project would not begin construction until 2018, there is concern over potential cost overruns.

The 9% portion contains only studios and two bedrooms units and the 4% portion contains only studio and one-bedroom units. Would like to see the exploration of a more balanced variety of unit mix throughout the entire project.

The service package to be provided to the homeless households as well as how all services would be funded is unclear.

- 7. Financial feasibility:** The project is dependent on a large amount of public funding as well as Imagine's ability to raise \$5.7MM in private equity through Impact Investing. The plan for raising the capital is being vetted by the Imagine board and expected to kick off securing funding within the next 30 days.

The project contemplates using 16 Section 8 vouchers but does not contemplate Davis Bacon wage rates may be required. The construction costs were noted to potentially be understated by a third party review. The unit mix and AMI levels need to be discussed and confirmed. The income restricted one bedrooms in the 4% portion are expected to be floating units to meet the next available unit rule.

It has not yet been decided whether the YMCA will lease or own the space for the child care center. The YMCA is expected to lease the space or \$15/sf or \$2.5MM of a capital investment.

The "market rate" units are expected to be rented at approximately 20% below market with parking spaces available at \$100/month about \$25 below the going market rates.

The Sponsor would need to purchase the property from Capstone, the expected acquisition price is approximately \$11 - \$12 MM depending on the scenario.

The project relies on the City of Redmond approving the Multi-Family Tax Exemption, not currently available as well as a request for services funding.

The Sponsor referenced a potential alternate scenario in their response the County's clarifying questions of a unit mix up to 256 units with a reduced ask on public funds and require a capital contribution from the YMCA of \$4MM. Not back up or financials were provided with the brief narrative, therefore it cannot be evaluated. Under this revised scenario the Sponsor stated that repayment of any County funds could be achieved.

- 8. Access to transportation:** The project is well located to public transportation both to the existing park and ride and the proposed light rail station. Walk Score – 75; Transit Score 48.
- 9. Evergreen Sustainable Development Standard:** The proposed project earns 70.5 points on the Evergreen Sustainable Design Standard (ESDS) 3.0 checklist. A threshold of fifty points from the optional elements is required. The significant design decisions reflected in the ESDS checklist include the following: advanced water conservation, solar for heating, access to transportation, access to fresh or local foods, and construction waste management

10. **Equitable geographic distribution:** The project is located in Redmond.

11. **Tax credit score:** 9% - 158; 4% - 51

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Auburn Youth Resources (AYR)
Project	Skys
Location	Auburn - South King County – 1424 Auburn Way So., Auburn WA 98002
Activity (<i>Rental, Homeownership, New Construction, Acquisition, Rehabilitation</i>)	Acquisition/ New Construction
Funding Priority Area (Affordable/Extremely Low Income/Homeless, TOD, or BHRD)	Affordable/Extremely Low Income/Homeless

Affordability and population served

Number of restricted units	10
Number of unrestricted units	10
Community space features	
Affordability- % of Area Median Income (AMI)	10 units at or below 30% AMI
Population served	Young adults 18 to 24 years of age
Set-aside units	All homeless young adults
Unit mix	7 one-bedrooms, and 3 two-bedrooms

Development budget

Total development budget	\$ 3,159,694	
Secured funding	Sponsor	\$ 299,000
Pending funding	KC-HCD	\$1,163,844
	State HTF	\$1,641,850
Total capital cost per unit	\$315,969	
HFP capital cost per unit	\$116,384	
Ratio of HFP to other funds	1:1.71	
Construction cost per square foot	\$ 241	

Project Description

The project entails the new construction of a ten-unit apartment building with a mix of one and two-bedroom units as affordable transitional housing with services for homeless young adults, ages 18 to 24. Services will include but not limited to assessments, individualized case management, employment assistance and job training, counseling services, behavioral health,

outreach and transportation. The SKYS program is highly scalable in that it seeks to move youth from their current position in life to an achievable goal which the youth and his/her case manager agree upon. The program is designed to guide young adults toward self-sufficiency and on to permanent housing options.

Construction: 12/15/2017 - 10/15/2018

Location

1424 Auburn Way South, Auburn WA 98002

Consistency with local plans and priorities

The project addresses the priorities of the Consolidated Plan and local plan to end homelessness.

Evaluation Criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** Auburn Youth Resources is in compliance with existing King County contracts.
2. **Financial soundness of sponsor agency:** AYR is a relatively small agency. It currently maintains unrestricted assets in excess of \$2 million, and with what appears to be enough cash and cash equivalents to satisfy monthly debt obligations going forward.
3. **Capacity of sponsor agency:** Sponsor was awarded capital funding in the 2015 funding round for a project very similar to the project represented in this application. To date, the 2015 project has made very little progress since their early summer request to begin contracting. It would not seem prudent for King County to layer on another new construction project at this time.
4. **Sustainability of sponsor's portfolio:** AYR appears not to have completed a capital needs assessment or other portfolio-wide housing preservation analysis. They have some 60 units of housing under management. AYR owns and operates three pieces of real property, two of which are used as housing with the other property being a small collection of buildings (staff office/meeting space) that make up their campus.
5. **Project compatibility with funder priorities:** Homeless young adults is a priority population for King County and the priority housing model for the target population is permanent housing with supports, however sponsor describes the project as "transitional". Also, sponsor does not articulate a clear understanding of the "Housing First" model, which is a priority component for King County.
6. **Suitability of site, design, and services:** Currently there exists a zoning moratorium attached to the site. The sponsor expresses confidence in their ability to work with City of Auburn in obtaining a waiver to the moratorium. There will also need to be parking which is being negotiated with adjoining church property. A review of the preliminary drawings by an independent consultant suggests that

design is appropriate for its intended target population. The array of services provided on and off-site seems appropriate.

7. **Financial feasibility:** Proposed construction budget is 17% higher per square foot than similarly sized multi-family developments. However, there may be some risk due to potential environmental remediation costs that are yet to be defined. Services budget is high at \$23K per unit per year, when average costs per unit per year are no more than \$15K. HUD Continuum of Care funding cannot be used for this project as proposed.
8. **Access to transportation:** Project site fronts Auburn Way S, with the closest bus service at .04 miles accessible seven days a week, and 1.14 miles from the nearest high capacity transit corridor.
9. **Evergreen Sustainable Development Standard:** The proposed project earns 59 points on the Evergreen Sustainable Design Standard (ESDS) 3.0 checklist. A threshold of 50 points from the optional elements is required for new construction projects. The significant design decisions reflected in the ESDS checklist include the following: Healthy flooring materials, advanced water conserving fixtures, central laundry and construction waste management.
10. **Equitable geographic distribution:** This project is located in the City of Auburn.
11. **Tax credit score :** N/A

Services and/or operating support (if applicable): Evaluation by King County Operating Support, Rental Assistance and Supportive Services (ORS) program suggests requested amount of operating and service subsidy per unit is very high driven by a high staffing plan ratio of service staff to residents. The Sponsor has identified a specific HUD subsidy funding that is deemed not likely to be eligible for the project as described, nor would it fit the development timeline. Sponsor did not appear to have sought local technical assistance on the use of this particular application of HUD funding.

HCD 2016 Capital funding round**New project application****Sponsor and project location**

Sponsor	Solid Ground
Project	Sand Point Family Housing and Santos Place
Location	6801, 6831 and 6940 62nd Avenue NE, Seattle
Activity	Rehabilitation
Funding Priority Area	Affordable/Extremely Low Income/Homeless

Affordability and population served

Number of restricted units	77
Number of unrestricted units	0
Community space features	Lounge, computer room, meeting room, kitchen and resource library.
Affordability- % of Area Median Income (AMI)	77 units at or below 30% AMI
Population served	Homeless individuals with special needs and homeless families with children.
Set-aside units	42 units of transitional housing for individuals, 27 units of permanent supportive housing for families and 8 units for homeless people with special needs.
Unit mix	50 studio, 6 one-bedroom, 13 two-bedroom, 8 three-bedroom

Development budget

Total development budget	\$ 11,045,623	
Secured funding	Seattle Housing Authority	\$ 141,400
	Sponsor	\$ 1,209,157
	Existing State	\$ 2,057,810
	Existing City of Seattle	\$ 2,399,701
Pending funding	State Housing Trust Fund	\$195,000
	KC-HCD	\$191,078
	Other (Developer Fee, Equity, etc.)	\$701,000
	FHLB	\$450,000
	City of Seattle	\$500,000
	Tax Credit Equity	\$3,200,476

Total capital cost per unit	\$143,450
HFP capital cost per unit	\$2,481
Ratio of HFP to other funds	1 to 56.81
Construction cost per square foot	\$154

Project Description

The project entails the rehabilitation of two buildings containing 77 existing units of transitional and permanent supportive housing originally funded primarily with City of Seattle, State, and Low Income Housing Tax Credit (LIHTC) funding. Sandpoint Family Housing needs major exterior envelope maintenance, including a new roof, windows and masonry restoration. Santos Place needs replacement of interior finishes, including flooring, plumbing fixtures, lighting, countertops and paint. The buildings are beyond the 15-year tax credit compliance period and will be re-syndicated with 4% LIHTC which will fund most of the \$11 million cost.

Location

The site is located in Warren G. Magnuson Park, a 350-acre park northeast of the University District, with ball fields, walking paths, nature trails, open fields, tennis courts, picnic areas, and a beach with access to Lake Washington. Many nonprofit organizations such as Outdoors for All, the Mountaineers and Earthcorps have their headquarters in the park buildings. University Village, a major shopping area, is approximately a mile south of the complex and accessible by public transportation. There are two grocery stores at University Village – QFC and Safeway. Other nearby services include View Ridge Elementary school, Children’s Hospital, the University of Washington Medical Center, two banks and several places of worship.

Consistency with local plans and priorities

The project will meet the Consolidated Plan goal to preserve existing affordable housing by recapitalizing the building and extending its useful life. It will meet the goal of new housing production for homeless households by creating eight new units targeted to people who are homeless. It will meet the All Home goal of providing housing for homeless people, with culturally competent services.

Evaluation Criteria

Funding applications are evaluated in relation to sponsor and project criteria. The sponsor criteria include organizational capacity and fiscal soundness, portfolio sustainability, contract compliance, and cultural competency. Project criteria include compatibility with current funder priorities, location, suitability of the project site and design, feasibility of the project based on proposed development and operating budgets, and project sustainability based on the ESDS 3.0 checklist.

1. **Compliance on existing contracts:** Sponsor is currently in compliance with HCD contract requirements.
2. **Financial soundness of sponsor agency:** No concerns have been identified.
3. **Capacity of sponsor agency:** The sponsor has hired an experienced development

- consultant - Philippa Nye, to manage day to day development activities including applying for and managing financing, maintaining budgets and project accounting, and managing construction. The development consultant and the architect will work together to supervise construction and ensure construction quality as well as evaluating change proposals and submittals. The architect will be the technical lead on construction while the development consultant will advise on adherence to owner goals and funding requirements.
4. **Sustainability of sponsor's portfolio:** Solid Ground completed updated Capital Needs Assessments on all properties in the portfolio in 2016. They also assess their properties for management efficiency and in 2015 decided to sell the Francis Street property. The units sold at Francis Street are being replaced at Santos Place, where the management of those units will be more efficient in a larger building. Solid Ground developed a dashboard for operational performance with funding from the Enterprise Foundation, which is used to assess the performance of all Solid Ground properties. Solid Ground tracks the dashboard measures required by the Office of Housing in its annual reports.
 5. **Project compatibility with funder priorities:** Santos place will continue to contain the 42 units of transitional housing which were funded prior to this type of housing being removed from existing priorities. Sandpoint Family Housing has recently been converted from transitional housing to permanent supportive housing. Permanent housing with supportive services for very low-income families and individuals continues to be a key component in the affordable housing continuum. Housing for homeless families and individuals is an important priority of the Human Services Levy. It is possible for the county to fund our priority units exclusively in the same way we would fund only the affordable units in a mixed market-rate project.
 6. **Suitability of site, design, and services:** Renovations to both buildings will replace worn interior finishes with more durable materials that are more suited to a new resident population with greater needs who may be harder on their living environments.
 7. **Financial Feasibility:** Financial feasibility appears to be strong. All but \$1.3 million of the total \$11 million budget is committed. The acquisition price of \$5,770,000 will be used to pay existing debt of \$2,399,701 from the City, and \$2,057,810 from the State. All of those loans will either assumed by the new partnership or in the case of the City loan on Santos, paid off at closing, the same amount will be added to the new loan amount upon completion, so effectively that loan will also be assumed.
 8. **Access to Transportation:** Bus routes 62, 74 and 75 stop near the site, and provide access to downtown, Northgate, Queen Anne and the University District.
 9. **Evergreen Sustainable Development Standard:** The project scores a 44 on the EDS 3.2 Checklist. King County is financing acquisition. The significant design decisions reflected in the ESDS checklist include the following: Low flow plumbing fixtures; efficient LED lighting; low VOC paints; removal of stairwell carpeting replaced with resilient flooring for better air quality; new energy efficient vinyl.
 10. **Tax credit score:** 51

Services and/or operating support (if applicable)

The Sandpoint project has served the homeless population for 15 years serving this population scoring a total of 15/25 for program performance and 5/5 for data quality for a comparable project under HMIS review. King County Homeless Housing and Services Funds are currently committed to the project subject to fund availability.