King County

Housing Finance Program

2020 Capital Funding for Affordable Housing Projects

PROJECT REVIEW MEMO

I. OVERVIEW

1A. PROJECT INFO

Sponsor/owner	**Regional Area Youth Development Organization (a non-profit affiliate of Sons of Haiti Grand Lodge No. 1)**
Development consultant	**Low Income Housing Institute (LIHI)**
Project name	**Water Estates**
Project location	**Renton, WA**
Project type	☒ **Rental** ☐**TOD** ☒ **PSH** ☐**HO** ☐ **DPA**
Project activity	☒ **New Construction** ☐ **Rehabilitation** ☒ **Acquisition**

Brief description

Waters Estates will develop 49 units in South King County with 37 units (76%) for permanent supportive homeless households. The site has an existing building that will be torn down as part of the re-development of the site.

1B. PROJECT COST

Total development cost (TDC)	**$22,745,590**
Total residential development cost	**$20,407,912**
Cost per residential unit/ per square foot	**$416,488 per unit / $621.75**
Total non-residential development cost	**$2,337,678**

1C. KING COUNTY REQUEST

King County Funds requested	**$6,182,210**
% of TDC/ Cost per unit	**30%/ $126,167**
KC Loan term/ interest rate	**50 years/ 1%**
Project applied for funding in prior rounds	☒ **YES** ☐ **NO**
Project previously awarded KC funds	**None**

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Does request deviate from HFP guidelines.....☐ **YES** ☒ **NO**

II. PROJECT DESCRIPTION

2A. HOUSING MODEL

of residential units/ managers/ total units..... **48 residential units / 1 manager / 49 total units**

Project total square feet / # of floors..... **38,267 sf/ 4 floors**

Project residential sf/commercial sf ..... **32,823 sf/ 5,444 sf**

Unit distribution - Income & AMI

Unit/Income	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	**Total**	Mgr/ CAU
Studio	25					25	
1 Bedroom	**8**		**11**			19	**1**
2 Bedroom	**4**					4	
3 Bedroom							
4 Bedroom							
Total	**37**		**11**			48	**1**

Average unit sizes ..... Studio 336sf, 1B 516sf, 2B 675sf

Other type of unit. ..... 5 ADA units

Target population

Project intends to serve homeless, low-income, veteran, and developmentally disabled individuals. 37 units will be set aside for homeless individuals earning up to 30% of AMI, and 11 units will be set aside for those earning up to 50% of AMI, with 1 on-site manager unit. 10 units will be set aside for developmentally disabled individuals, and 10 units will be set aside for veterans.

2B. CONSTRUCTION TYPE, SITE, & LOCALITY CHARACTERISTICS

Construction type..... ☒ **Wood Frame** ☐ **Steel Construction** ☐ **Combo**

Construction begins/ Construction period..... **9/15/2021**

Evergreen Sustainable Design Std. (ESDS) Score..... 61

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Project intends to meet higher energy standards (Net-Zero, Passive House, etc.) or include energy efficient systems (solar panels, water systems, etc.)?..... ☐ **YES** ☒ **NO**

Development Processes

Is zoning compatible?.....☒ **YES** ☐ **NO**

The property is located within the Commercial & Mixed Use (CMU) land use designation and Center Downtown (CD) zoning designation. In addition, the proposal is within the following overlays: Urban Design District 'A'; Downtown Business District; City Center Sign Regulation Area; and Airport Influence Area. The proposed multi-family dwelling units are permitted uses in the CD zone.

The City of Renton has concerns over the site's size accommodating both proposed uses. Street parking is limited and with housing and an early learning center, the site would require more parking than would be possible on site. The project would potentially need to go through the parking modification process with the City. The City believes the proposed site is too small for the residential portion and the early learning center. The City would need to analyze the site capacity to see if both residential and early learning center would fit. The City has recommended that Sons of Haiti eliminate the early learning center or purchase an adjacent site to fit both portions.

Challenges in development of the site?..... ☐ **YES** ☒ **NO**

It is very likely that the building will need to be supported on a deep foundation system that will embed into the dense underlying gravel. The new structure will need to be supported on either augercast piles or drive, steel pipe piles.

Neighborhood

Describe the neighborhood.....☐ **Single Family** ☐**Multifamily** ☐**Commercial** ☒**Mixed-use**

The project site is in downtown Renton and close to a variety of amenities. Multiple grocery stores are located within a mile and many medical providers are within three miles, including Swedish Specialty Care, Kaiser Permanente Renton Medical Center, Providence Health & Services, Providence Infusion & Pharmacy Services, UW Medicine Occupational Health, and UW Medicine Valley Medical Center. Site is within a half mile of a food bank, and within a mile of multiple social services providers. Many schools and parks are nearby, and it's close to multiple public transportation route stops.

Transit Oriented Development Eligible project?..... ☒ **YES** ☐ **NO**

- ○ ½ mile to high capacity transit?..... ☒ **YES** ☐ **NO**
- ○ Multi-modal?..... ☒ **YES** ☐ **NO**
- ○ Walk/transit score..... **92/ 59**
- ○ Close proximity to community resources and/or services? ☒ **YES** ☐ **NO**

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Site is located near multiple bus lines: 101,106,107,160, and the F line.

Nonresidential

Proposed commercial spaces?..... ☒ **YES** ☐ **NO**

The project will include an early learning facility on the ground floor. The early learning center will include 3 classrooms for toddlers and preschool age children from low-income families.

Parking requirements?..... ☒ **YES** ☐ **NO**

13 residential stalls and 7 commercial stalls are required per city code. Project is proposing 4 residential stalls and 7 commercial stalls of surface parking. The project will be requesting a parking modification from the City of Renton based on the minimal anticipated demand for parking from the building's residents.

Environmental

Environmental/site concerns

Phase I ESA was completed on 9/14/2020. There were no Recognized Environmental Conditions identified on the subject property. The Phase I ESA only recommended additional subsurface exploration prior to redevelopment to assess for the movement of potential contaminants from neighboring sites. Sons of Haiti will complete such additional environmental work if the project is awarded funding.

Asbestos - A total of 20 homogeneous areas of suspect asbestos-containing material (ACM) were identified. The Puget Sound Clean Air Agency (PSCAA) and Washington Department of Labor and Industries (L&I) require that ACM be removed prior to building demolition or renovation that would otherwise disturb the material. A state licensed abatement contractor employing certified asbestos personnel must complete the removal of ACM. Notification to PSCAA and L&I is required prior to asbestos abatement.

Lead-Based Paint - The exterior of the existing building is largely adorned with ceramic tile; the extent of lead paint is limited. The single sample was collected from the soffit at the rear entrance of the building. Lead was found in the sample at a concentration of 25,000 milligrams per kilogram (mg/kg). The demolition contractor and other site workers will be informed of the presence of lead-containing paint and will take appropriate precautions to prevent dust generation during demolition activities. The landfill receiving demolition debris may require a TCLP test.

Mold – No mold was found by the environmental consultant.

Wetlands – There are not wetland areas on or near the property.

Proposed feasible mitigation measures (in budget) to address issues? ..... ☒ **YES** ☐ **NO** ☐ **N/A**

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The issue of potential contaminants migrating onto the site from neighboring sites will be addressed through the completion of additional environmental testing prior to redevelopment to determine whether a vapor barrier or other method is recommended for the new building.

Asbestos and lead paint abatement will be completed according to the recommendations of the Hazmat Survey prior to building demolition.

$25,000 "Environmental Abatement - Land" and "Environmental Abatement – Building" line items are included in the project budget to cover the costs of required abatement.

Development Incentives & Restrictions

Development incentive programs in project location?..... ☐ **YES** ☒ **NO**

No incentive programs for project location.

Restrictions in development?..... ☐ **YES** ☒ **NO**

2C. ROLES & RESPONSIBILITIES

Project development consultant? .....☒ **YES** ☐ **NO**

LIHI and Sons of Haiti have signed a Development Consultant Agreement, which states that LIHI, as consultant, will be responsible for developing the project and managing the housing unit. Sons of Haiti will be responsible for managing the community unit, which is the early learning facility on the ground floor.

General contractor selection process

General contractor selection will occur through an open solicitation process for qualified general contractors who are then ranked, rated, and short-listed for interviews leading to a selection. Advertising for both the general contractor and subcontractors will involve outreach to WMBE contractors.

Who will manage construction?

LIHI will manage construction of the project.

III. FINANCING & MARKET ANALYSIS

3A. SOURCES & USES

Permanent Residential Sources of funding

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Source	Proposed Amount	Committed Amount	TOTAL
King County	$6,182,210	$0	$6,182,210
State Housing Trust Fund	$3,000,000	$0	$3,000,000
9% Equity	$11,225,702	$0	$11,225,702
TOTAL	$20,407,912	$0	$20,407,912

Proposed commercial spaces?..... ☒ **YES** ☐ **NO**

The project will include an early learning facility on the ground floor. The early learning center will be operated by Launch and include 3 classrooms for toddlers and preschool age children from low-income families. Launch had provided a letter of support. TDC of the commercial space is $2,337,678. $800,000 of State Community Capital Facilities for Early Learning has been committed. The project is proposing $1,537,678 of King County PSTAA funding. PSTAA funding will not be available until Spring 2021 at the earliest.

Permanent Residential Uses of funding

Type	Amount	Comments
Acquisition Costs	$1,670,000	Acquisition cost reflect appraisal value
Construction/ Rehab Costs	$13,946,848	Costs seem reasonable
Soft Costs	$2,277,500	Costs seem reasonable
Financing Costs	$765,593	Costs seem reasonable
Capitalized Reserves	$450,593	Reserves are reasonable
Other Development Costs	$1,022,971	Costs seem reasonable
TOTAL	$20,407,912	

3B. COST EFFECTIVENESS

Appraisal, Acquisition, & Construction

Appraised value/date/tax assessor value..... $1,650,000 / 9/23/2019

Appraisal value greater than (or equal to) acquisition costs?..... ☒ **YES** ☐ **NO**

Developer fee..... $1,000,000

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Developer Fee is 4% of TDC, which is reasonable.

Third-Party Construction Consultant Report

Notable departures in construction costs with comparable projects?..... ☐ **YES** ☒ **NO**

Total proposed budget appears to be within the reasonable range of anticipated costs in the subject locale for a project of this scope. The costs for Rough Carpentry appear to be lower than the anticipated range. The costs for Finishes appear to be lower than the anticipated range.

Suggestions to revisions in project design or project team?..... ☐ **YES** ☒ **NO**

Third party reviewer has no recommendations.

Appropriateness of contingency

The budget includes 5% for hard cost contingency. For new buildings, a total contingency of 10% is recommended for GMP or Guaranteed Maximum Price contract. For a Stipulated Sum contract, the contingency can be held in the Development Budget.

Will federal wages be triggered?..... ☒ **YES** ☐ **NO**

The project is estimating Davis Bacon – Non-Residential wage rates, due to the anticipated vouchers.

3C. MARKET DEMAND

Market study required ..... ☒ **YES** ☐ **NO**

Date conducted.....	**9/3/2020**
Capture rate/ Lease-up rate	**N/A – demographics/ 15-20 units/ month**

Notable findings

By 2024, vacancy levels are expected to decrease further, with an anticipated vacancy rate at 3.5% for the market area. This suggests strongly favorable market conditions for the subject property, which should contribute to a swift lease-up of the subject apartment units. Also, favorably, while there are proposed affordable apartment projects for subject's larger competitive area in South Seattle, there are no proposed projects in the subject's immediate downtown Renton area. Therefore, demand for the subject may be higher than currently forecasted, and absorption rates might surpass the initial forecast of 15 to 20 units per month. Based on the Market Study's analysis, the subject is well positioned within its market area.

3D. FINANCING

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How will construction be financed?..... ☐ **Construction Loan** ☒ **LIHTC** ☐**Bonds** ☒ **Other**

Preliminary letters of interest provided? .....☒ **YES** ☐ **NO**

LIHTC Project

Proposed use of LIHTC?..... ☒ **YES** ☐ **NO**

Anticipated 9% round application...	**Applying for the 9% round in 11/4/2020**
Projected LIHTC pricing	**$.88**
9%LIHTC self-score.....	**182**

Were Letters of Interest provided? How does pricing and self-score compare to comparable projects?

LIHI submitted LOIs from Enterprise and Raymond James, with pricing at $.88. National Equity Fund provided a letter of interest with pricing between $.92 - $1.00.

Project sources are assuming pricing at $.88.

The self-score is at the low-end of competitive with other 9% projects reviewed by King County staff in this round, which ranged from 182 to 188.

Is project subject WSHFC TDC limits?..... ☒ **YES** ☐ **NO**

Project is over the WSHFC TDC limits by 14.38%. LIHI applied for a TDC waiver on 9/1/2020. The TDC Waiver was completed prior to the finalization of the project design so LIHI could meet WSHFC's review date deadline, the cost overage has decreased slightly since the TDC Waiver was submitted.

Debt & Contributions

Amount of private permanent debt proposed **$0**

Is debt coverage sufficient?..... ☒ **YES** ☐ **NO** ☐ **N/A**

Project does not have hard debt. The project covers residential service costs with cash flow and has excess cash flow ($37k in year 1.)

Could project leverage other financial resources not yet identified? ..... ☐ **YES** ☒ **NO**

The project is applying to all available public funding sources.

Sponsor contributions? ..... ☐ **YES** ☒ **NO**

The sponsor is not proposing contributions to the project.

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Proposed fundraising? ..... ☐ **YES** ☒ **NO**

No proposed fundraising for this project.

IV. PROJECT SERVICES & OPERATIONS

4A. OPERATING PRO FORMA

Annual operating expense total/ per unit... **$445,238 for the first full year/ $9,068 per unit**

Rent & utility allowance schedule within AMI limits? ..... ☒ **YES** ☐ **NO**

Project is using WSHFC's 2020 rent limits. The utility allowance schedule used for the project budget is based on King County Housing Authority's utility allowance chart; however, the project will procure an energy consultant to develop utility allowance modeling for the project per WSHFC guidelines.

Proposed project-based or tenant-based rent subsidies? ..... ☒ **YES** ☐ **NO**

The project is requesting a total of 37 vouchers, 27 Section 8 and 10 VASH vouchers from King County Housing Authority. The project does not specify serving Chronically Mentally Ill (CMI) individuals, which makes the project less competitive for KCHA vouchers. In the event that 37 vouchers are unavailable, LIHI stated that the project would need a minimum of 29 vouchers to be feasible.

Expected vacancy rate

Budget shows residential vacancy at 5%, this is reasonable. 0% vacancy shown for non-residential.

Expense comparison

Marketing and turnover costs are higher than other similar projects. Overall total operating expenses are higher than the median and less than the average for similar permanent supportive housing projects.

Replacement & operating reserve payments

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Replacement reserves are budgeted at $16,800 in year 1, or $350 per unit with a 3% escalator. $350 per unit is typical for these projects.

Operating reserves are budgeted at $2,500 in year 1, or $51 per unit with a 3% escalator.

The proposed capitalized reserves in the project are based on prior reserve requirements from equity investors involved in similar permanent supportive housing projects. The operating reserve is based on the amount of six months of operating expenses plus approximately $200,000 for COVID-19 related contingency.

If TOD project, are TOD loan repayment terms included in proforma? ..... ☐ **YES** ☐ **NO** ☒ **N/A**

4B. PROPERTY MANAGEMENT

Property Management Plan

LIHI will provide property management for Water Estates. Property management on-site staffing for this project will include 1 FTE site manager, 1 FTE maintenance person, and 1.2 FTE security. Off-site staffing will include an .1 FTE area manager.

4C. SERVICE MODEL & FUNDING ANALYSIS

Project seeking operating or service subsidies? ..... ☐ **YES** ☒ **NO**

Subsidized Units/ Funding per subsidized unit... **N/A**

Service Funding			
Funder	**Fund Type**	**Amount**	**Awarded?**
Cash Flow	Cash Flow	$189,400 in year 1	Proposed
Medicaid	Foundational Community Supports	Up to $100,000 a year	Proposed
Total		$289,400	

Requests for service funding feasible? ..... ☒ **YES** ☐ **NO**

Project competitive for ORS funding? ..... ☐ **YES** ☐ **NO** ☒ **N/A**

The project is not requesting King County ORS but has requested up to 37 vouchers from KCHA. In addition, FCS could contribute up to $100,000 annually.

4D. REFERRALS

Permanent supportive housing for homeless? .....☒ **YES** ☐ **NO**

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Coordinated Entry for All (CEA) participation for ALL homeless units?.....☒ **YES** ☐ **NO** ☐ **N/A**

The homeless units will be filled through King County's Coordinated Entry program.

Referrals/marketing

At the time lease-up begins (90 days prior to Certificate of Occupancy), neighborhood employers, schools, social service agencies, and faith-based institutions will be sent fliers and posters regarding the availability of units. Advertising will be done through Craigslist and various local websites. If it is anticipated that leasing applications will significantly exceed the number of available units, a lottery may be held. Sons of Haiti and LIHI will affirmatively market the development to the racial/ethnic groups, income classes, veterans, and economically disadvantaged populations that are under-represented in the local market. The Property Manager will be available on-site to lease up the building. The homeless units will be filled through CEA. Tenants will also be screened and must qualify as homeless through third party verification before signing a lease. Developmentally disabled individuals will be referred by SOUND, which specializes in supportive services for individuals living with developmental disabilities.

Community Spaces.....☒ **YES** ☐ **NO**

The ground floor of the building will include an early learning center with a separate entrance from the residential portion of the building. The ground floor residential area will include support facilities such as a lounge, mail area, outdoor play area, and offices. Property management and case management/behavioral health services offices for residents will be located on the ground floor. The project will also include a community room, computer lab, and bike storage.

Resident Services..... ☒ **Referral Services** ☐ **Counseling** ☐**Medical Services** ☐**Financial Assistance**

Services include on-site case management services for homeless, veterans, other low-income individuals, and individuals with developmental disabilities; and on-site behavioral health services for individuals with developmental disabilities. Case management and supportive services will be provided on site to residents of the housing units by LIHI and funded by the project's rental income. Sons of Haiti and Sound have an MOU in which Sound, a licensed behavioral health provider, will provide on-site behavioral health care services for residents with developmental disabilities, which will be partially funded by Medicaid. LIHI's property management staff will also provide on-site programming and events for residents. Property management and case management/behavioral health services offices for residents will be located on the ground floor.

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V. FUNDING PRIORITIES

5A. FUNDING PRIORITIES

Which source(s) of King County funds is the project compatible with?

☒ **2331 Document Recording Fee** ☒ **RAHP** ☐ **HOME** ☒ **VSHSL** ☐ **MIDD 2** ☒ **TOD**

Project intends to serve low-income individuals, homeless individuals, veterans, and individuals with developmental disabilities. Project intends to serve individuals earning up to 30% and 50% AMI. Project could accommodate some TOD funding if necessary.

This project meets the following 2020 King County RFP priorities:

Homeless/Extremely Low-Income/Affordable Housing

☒ A majority of the units (50% or more) are set-aside for homeless individuals and families, and participate in CEA

☒ The proposed project serves special needs population such as (but not limited to) households with a member with mental illness, is disabled and/or developmentally disabled, also experiencing homelessness

☒ The proposed project provides access to case management and behavioral health services

☒ The proposed project leverages other resources for both the construction and operations of the project, including social services expenses

System-connected housing

☒ The proposed project will be V**eteran housing**, serving Veterans, Military Service members, and their family members.

☐ The proposed project serves a MIDD-eligible population (individuals/households exiting treatment facilities or other institutionalized settings); the sponsor is or is partnering with a State-licensed certified mental health provider

Transit-Oriented Development

☐ Project leverages present and future public investment in transit infrastructure.

☐ Repurpose under-utilized publicly owned property or other community assets

☐ Utilize alternative housing models and cost saving construction methods

☒ Serve lower income households between 30% to 50% AMI.

☒ Project is within ½ mile of a high capacity transit station, and is eligible for the:

- ☒ All-County South pool (2016 TOD)
- ☐ All-County North/East pool (2016 TOD)

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☐ Geographic Set-aside (N/E/S/Seattle) (2019 TOD)

☐ Projects funded with 2016 TOD Allocation Plan funding will be required to set aside 10% of the TOD Bond-funded units for tenant referrals from King County or a King County-approved agency operating criminal justice system diversion programs.

Homeownership Development

☐ Projects that expand homeownership opportunities for 1) Veterans and their families or

☐ 2) Vulnerable Populations who can become homeowners, be stably housed, and avoid intergenerational poverty.

5B. Federal HOME funds

HOME funding requested?..... ☒ **YES** ☐ **NO**

Rents and UA within HOME rent/utility allowance limits?..... ..... ☒ **YES** ☐ **NO**

Within HOME maximum per unit subsidy limits?..... ☒ **YES** ☐ **NO** ☐ **N/A**

If HOME funds are awarded the HOME units will comply with maximum subsidy limits.

Is sponsor a Community Housing Development Organization (CHDO)?..... ☐ **YES** ☐ **NO**

N/A

VI. SPONSOR CAPACITY

6A. PORTFOLIO & PERFORMANCE

# of sponsor projects in King County portfolio... **19**

KC - Sponsor Projects (sample)	
Project Name	**Brief Description**
An Lac Apts	New constructions of 69 units in Seattle. Project placed in service 2/2020
June Leonard Apts	New construction of 48 units in Renton. Project placed in service in 4/2019
The Marion West	New construction of 49 units in Seattle. Project placed in service in 6/2016

How have these KC projects performed?

Projects have been completed on time and within budget.

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6B. PIPELINE & DEVELOPMENT CAPACITY

Does the sponsor have other projects under construction and/or under development? ... ☒ **YES** ☐ **NO**

# of projects under construction..... **1**

Projects under construction		
Project Name	**Location**	**Brief description**
Othello Park	Seattle	106 units in the Othello Neighborhood of Seattle. Project is expected to place in service on 10/2021

# of projects under development..... **2**

How is the sponsor staffed to handle multiple projects?

LIHI has a solid experienced development staff who will handle the development of their projects. LIHI recently hired a development associate to help with some of the work.

6C. SPONSOR FINANCIAL SOUNDNESS

Audit findings, material weaknesses and/or corrective action plan required? ..... ☐ **YES** ☒ **NO**

Sponsor's financial audits consistently clear, steady? ..... ☒ **YES** ☐ **NO**

Operating cash provides appropriate levels of liquidity for operations? ..... ☒ **YES** ☐ **NO**

Portfolio maintains strong debt ratios? ..... ☒ **YES** ☐ **NO**

Summary of audited info for the past two years (Assets, Liabilities, Net Worth, Liquidity, Debt Ratios)

King County Fiscal Team found no concerns on the internal control reported in the 2017 – 2018 audit, and RAYDO Waters Estates has a debt ratio of 59% in 2017 and 52% in 2018.

In addition to audit reports, were unaudited financial statements also reviewed? ☒ **YES** ☐ **NO**

If unaudited financial statements were reviewed, did they show the same trends as audits? ☒ **YES** ☐ **NO**

If Audits were not available, were unaudited financial statements reviewed? ☒ **N/A** ☐ **YES** ☐ **NO**

If more than one applicant submitted financial statements for review summarize the second applicant's financial statements below. ☐ **N/A**

King County Fiscal Team found no significant concerns.

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VII. EQUITY & SOCIAL JUSTICE

How will this project impact the target population of residents and the surrounding community?

Waters Estates will provide homeless, low-income, veteran, and developmentally disabled South King County residents with the opportunity to obtain stable housing near downtown Renton and the Renton Transit Center, and a set of services that will connect them to employment, health care, and educational opportunities. Sons of Haiti and the LIHI will seek to further social equity by affirmatively marketing available units to all underrepresented communities in Renton especially those disproportionately affected by homelessness and the housing affordability crisis. Sons of Haiti will also continue its volunteer efforts and engagement with community groups as a way of ensuring that local stakeholders are aware of the progress of the project and have an opportunity to find affordable housing and avoid displacement by gentrification.

Sons of Haiti and LIHI's affirmative marketing and leasing practices will ensure that people of color and under-represented populations gain access to affordable rental housing. LIHI's past projects demonstrate that LIHI is successful in creating diverse, multiracial communities in its housing developments. LIHI significantly increases housing opportunities for racial minorities and other groups often under-represented and least likely to apply. As a local, African American organization, Sons of Haiti also has numerous ongoing partnerships with many local organizations serving the various local communities of color that will assist in communication and outreach efforts.

Waters Estates will also help address housing inequities by serving as a model for future community-led projects through the capacity building partnership between LIHI as a development consultant and the Sons of Haiti as a local, African American, community-led organization. Sons of Haiti owns real estate throughout the United States and the hope is that this partnership will lead to the national Sons of Haiti organization growing its capacity to develop existing underutilized real estate into black-developed and black-owned affordable housing. Moreover, Sons of Haiti hopes to use this project as a model for building a community organization into a community-led development organization and for emphasizing the inclusion of minority-led businesses and minority youth in the affordable housing development process.

Does the applicant have a plan for reviewing structures, policies, and programs with an equity and social justice lens? ☒ **YES** ☐ **NO**

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Sons of Haiti and LIHI's affirmative marketing and leasing practices ensure that people of color and under-represented populations can gain access to affordable rental housing. LIHI's 60+ past projects demonstrate that LIHI is successful in creating diverse, multiracial communities in its housing developments. LIHI significantly increases housing opportunities for racial minorities and other groups often under-represented and least likely to apply. As a local, African American volunteer organization, Sons of Haiti also has numerous ongoing partnerships with many local organizations serving the various local communities of color.

LIHI's current building residents are also surveyed biannually regarding the in-building programs, resources, and supports the residents would like to see implemented. LIHI residents are surveyed for their opinions and suggestions; there is a grievance procedure in the management plan for each LIHI property; and the property managers are encouraged to implement programming within their properties that serve resident needs. LIHI has a Volunteer Director who aligns in-building programming with volunteer engagement to create diverse programs/events and refer resources of benefit to residents. In the past, this has included after-school homework clubs at properties with children; senior activities; and family stability supports such as financial planning, bus transit training, and nutrition classes.

LIHI also develops an affirmative marketing plan for its developments reviewed by HUD and the applicable local funder. The affirmative marketing plan includes specific steps that leasing staff take to market the community to ensure under-represented populations are contacted regarding available housing, including advertising in minority press/media, meeting with community organizations serving people of color, and sending leasing information to local businesses, and schools.

What is the diversity of the board and senior leadership?

Sons of Haiti's 5 board members are all African American (as are the 3 directors of Regional Area Youth Development Organization). As a Haitian American Masonic Grand Lodge and fraternal organization whose mission is to serve their local community by referring and providing support services, holding public forums and other community events, as well as mentoring youth and providing career opportunities, Sons of Haiti's members are involved with many local community organizations and volunteer activities. Because of the experience and connections of the directors of the Sons of Haiti (and Regional Youth Area Development Organization), Sons of Haiti is clearly able to understand and address the specific pressing needs of their own community.

The LIHI Board is 54% people of color and includes three Blacks, one Black/Hispanic, one Asian, one Asian Pacific Islander, one Native American/Asian, and six whites. 53% of LIHI staff are people of color. The Executive Director is a woman and a person or color who leads a Board whose members are 46% female. One-third of the board is comprised of low-income people or representatives of low-income communities.

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VIII. SUMMARY AND RECOMMENDATION

Although RAYDO and Sons of Haiti's Water's Estates would provide needed homeless housing in Renton, staff does not recommend funding at this time for the following reasons:

1) The City of Renton has significant concerns about the site's ability to accommodate both proposed uses and the level of parking proposed. The City will not issue permits until these two issues have been addressed. At this time the project cannot move forward.
2) Project does not appear competitive for 9% tax credits in this round, scoring the lowest of County projects.

King County staff will continue to work with RAYDO/Sons of Haiti and LIHI to strengthen their application for future funding rounds.

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