King County

Housing Finance Program

2020 Capital Funding for Affordable Housing Projects

PROJECT REVIEW MEMO

I. OVERVIEW

1A. PROJECT INFO

Sponsor/owner	**BRIDGE Housing Corporation**
Development consultant	**N/A**
Project name	**North Seattle College (NSC) Veterans Housing**
Project location	**Seattle, WA**

Project type..... ☒ **Rental** ☒**TOD** ☐ **PSH** ☐**HO** ☐ **DPA**

Project activity..... ☒ **New Construction** ☐ **Rehabilitation** ☐ **Acquisition**

Brief description

This is new construction of 74 units of affordable housing for veterans in Seattle. The site is vacant land and has an existing parking lot at the North Seattle College Campus.

1B. PROJECT COST

Total development cost (TDC)	**$24,351,966**
Total residential development cost	**$24,351,966**
Cost per residential unit/ per square foot	**$329,080/ $511**
Total non-residential development cost	N/A

1C. KING COUNTY REQUEST

King County Funds requested	**$4,369,000**
% of TDC/ Cost per unit	**18%/ $59,040**
KC Loan term/ interest rate	**50 years/ 1% Hard Debt on TOD**

Project applied for funding in prior rounds..... ☐ **YES** ☒ **NO**

Project previously awarded KC funds	**$1,500,000 via 2019/2020 Biennium Budget allocation**

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

II. PROJECT DESCRIPTION

2A. HOUSING MODEL

of residential units/ managers/ total units..... **74 units (73 restricted and 1 CAU)**

Project total square feet / # of floors..... **47,588 sf/ 3 Floors**

Project residential sf/commercial sf ..... **N/A**

Unit distribution - Income & AMI

Unit/Income	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	**Total**	Mgr/ CAU
Studio			35			35	
1 Bedroom			17	21		38	**1**
2 Bedroom							
3 Bedroom							
4 Bedroom							
Total			**52**	**21**		**73**	**1**

Average unit sizes ..... Studio 373sf, 1B 543sf, 2B 542sf

Other type of unit. ..... 2 ADA units

Target population

Project intends to serve all veterans, 74 units. BRIDGE mentioned they intend to serve veterans with lower service needs. BRIDGE is open to serving veterans with either lower or higher needs as long as service budget is commiserated.

2B. CONSTRUCTION TYPE, SITE, & LOCALITY CHARACTERISTICS

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

Construction begins/ Construction period..... **11/1/2022/ 14 months**

Evergreen Sustainable Design Std. (ESDS) Score..... 69

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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**

MIO-37-LR1(M) is the underlying zoning for the proposed project site. The site is part of North Seattle College's Major Institution Master Plan, and affordable housing is not an institutional use and is subject to the underlying LR1 zoning.

The LR1 zoning requirements state that the building type/structures need to match the "townhome" looks of the neighborhood. Therefore, the project is not permitted to build above 3 stories and the building is much more expensive due to diseconomies of scale and less efficient construction.

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

Site poses no challenges in development.

Neighborhood

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

The site is located on the North Seattle College Campus, and the surrounding neighborhood is mostly single-family homes.

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

- ○ ½ mile to high capacity transit?..... ☒ **YES** ☐ **NO**
- ○ Multi-modal?..... ☒ **YES** ☐ **NO**
- ○ Walk/transit score..... **57/64**
- ○ Close proximity to community resources and/or services? ☒ **YES** ☐ **NO**

The project site is a 7-minute walk to the upcoming Northgate Link Light Rail Station. The project is located near shopping centers, parks, medical centers, and grocery stores.

Nonresidential

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

N/A

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

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For affordable housing in this zone no minimum parking is required. However, the project is proposing 5 EV charging stations as part of the resident amenity and sustainability measure. The College also indicated willingness to provide optional campus parking permits for interested residents.

Environmental

Environmental/site concerns

Phase I was completed on 9/8/2020 and does not recommend a Phase II. Site currently does not have any structures, only a parking lot.

Wetlands - No regulated wetlands, watercourses, or other aquatic features are located within the project area.

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

No mitigation is needed.

Development Incentives & Restrictions

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

Project does not include any development incentives.

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

The affordable housing program funding strategy, and deal structure, includes a 99-year ground lease as the preferred form of site control by the Washington State Board of Community and Technical Colleges.

Encumbrances on the project are tied to the overall North Seattle College parcel. When the Lot Boundary Adjustment is performed, most of these encumbrances will be eliminated from the proposed parcel. At this time, the overall campus contains typical easements in favor of water, sewer, power and energy companies, as well as a highway easement.

2C. ROLES & RESPONSIBILITIES

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

N/A

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General contractor selection process

BRIDGE selected Walsh Construction to estimate construction costs. BRIDGE will conduct a competitive bid process to select a general contractor. The contractor will be brought in early in the project and provide preconstruction services in order to deliver a more cost-effective building. The development team will identify and interview three well-qualified contractors for possible joint selection, with the following criteria:

- Affordable housing experience in Seattle, and wage rate compliance abilities.
- Overhead and Profit fees
- WMBE participation
- Financial capacity
- Initial cost estimates
- Relationships with their subcontractors

BRIDGE will require the GC to bid the work to their subcontractors so that competitiveness is an explicit element of this work. Should the final cost of the work exceed the budget, BRIDGE will reserve the right to bid the project to the larger community.

Who will manage construction?

Walsh Construction will manage construction.

III. FINANCING & MARKET ANALYSIS

3A. SOURCES & USES

Permanent Residential Sources of funding

Source	Proposed Amount	Committed Amount	TOTAL
4% LIHTC Equity	$8,484,272	$0	$8,484,272
Tax Exempt Loan (Key Bank/ TBD)	$6,125,513	$0	$6,125,513
State	$3,320,499	$0	$3,320,499
King County TOD	$669,000	$1,500,000	$2,169,000
King County VSHSL (Veterans)	$3,700,000	$0	$3,700,000
BRIDGE Dev Fee Re-contribution	$422,708	$0	$422,708
Deferred Developer Fee	$129,974	$0	$129,974
TOTAL	$22,851,966	$1,500,000	$24,351,966

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

N/A

Permanent Residential Uses of funding

Type	Amount	Comments
Acquisition Costs	$25,000	Acquisition costs do not include costs for land as proposed site control is through a 99-year ground lease.
Construction/ Rehab Costs	$18,262,349	Costs seem reasonable. Costs reflect modular construction.
Soft Costs	$3,778,877	Cost seem reasonable
Financing Costs	$1,100,646	Costs are reasonable
Capitalized Reserves	$223,945	Costs include capitalized operating reserves
Other Development Costs	$961,149	Costs seem reasonable
TOTAL	$24,351,966	

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3B. COST EFFECTIVENESS

Appraisal, Acquisition, & Construction

Appraised value/date/tax assessor value..... $2,600,000

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

Developer fee..... $2,170,176

Developer's fee is $2,170,176, 9% of TDC. $422,708 re-contribution of developer fees, BRIDGE is proposing to maximize developer fees and re-contribute excess fees back into the project in order to increase eligible basis and therefore 4% LIHTC funding. After deducting cash fees and deferred fees, BRIDGE will re-contribute to the project all remaining developer fees as a grant or a 0% interest loan with no repayment expected. BRIDGE has successfully utilized this structure to fund more units while stretching public funds in their Oregon and California projects and it is standard practice for almost all developers in California. $129,974 in deferred developer fees. $109,000 in project management/ developer consultant fees.

Third-Party Construction Consultant Report

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

Based upon the review of the construction documents and experience with similarly completed projects, the total proposed budget appears to be consistent with the general range of anticipated costs in the subject locale for a project of this scope.

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

Structures will require a Type II Master Use Permit (MUP) with design review.

Based on the report, it is indicated that the soils beneath the site contain low liquefaction susceptibility. As per the report's recommendations:

1. Conventional spread footings bearing on firm native soil or structural fill on firm native soil are possible to support the building.

2. All organic rich soil should be removed from foundation influence zones.

3. Undocumented fill associated with prior site grading is present. Foundations should not be supported on undocumented fill and the fill should be completely removed if encountered under footings.

4. Surficial organic-rich soil and peat are likely present at portions of the site. Foundations should not be supported on this material. It should be completely removed if encountered within the influence zone of footings.

5. Infiltration capacity of the soil is expected to be low.

6. Off-site disposal of stripping or other on-site soil should consider the results of site environmental studies.

7. Foundation drains will likely not be required provided finished floor grades are at or above existing grades.

8. The project budget may need to include a contingency for removal of boulders or other buried elements.

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Appropriateness of contingency

The budget contains a contingency in the amount of $295,862 or 2% of the hard cost budget. For new construction, a total contingency of 5-10% is recommended for GMP or Guaranteed Maximum Price contract. For a Stipulated Sum contract, the contingency can be held in the Development Budget. The project includes a 4% new construction contingency and a 4% escalation contingency.

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

Budget is assuming residential state prevailing wage rates.

3C. MARKET DEMAND

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

Date conducted..... 9-16-2020

Capture rate/ Lease-up rate ..... **2.54%/ 15 units per month**

Notable findings

Market study states that the proposed property will be able to achieve maximum allowable rents at its studio and one-bedroom units.

Weaknesses:
The project's proposed unit amenities are inferior to a majority of the comparable properties, particularly the market rate comparables.
The project's unit sizes are smaller than the majority of comparable one-bedroom units and are smaller than all of the comparable studio units.

Strengths:
The project will be in excellent condition as a new construction property, similar to slightly superior to the comparables and superior to a majority of LIHTC housing in the PMA;
The project's location is slightly superior to that of the LIHTC comparable properties;
The project is in a market that has experienced significant demographic growth since 2000. This has increased the demand for housing, including affordable rental units.

Market Feasibility
There is adequate demand in the marketplace for the proposed project as conceived. The detailed analysis illustrates demand at 50% and 60% AMI.

3D. FINANCING

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 4% round application... **Applying for 4% in the Spring 2022 round**

Projected LIHTC pricing ..... **$.92**

4%LIHTC self-score..... **88**

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

LIHTC score is low. BRIDGE will need to boost the score into the 90's to be competitive. BRIDGE believes they will be able to increase their score prior to submitting their application to WSHFC in the of Spring 2022. Project has an LOI from KeyBank with pricing at $.92.

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

Total Development Cost is $22,670,331 after WSHFC deductions for land, off-site improvements, and capitalized reserves and additional deduction for developer fees that are re-contributed into the project as a grant or no-interest loan. This TDC is approximately 6.43% ($1,457,690 million) above WSHFC cost limits of $24,128,021 million based on the proposed unit mix.

Debt & Contributions

Amount of private permanent debt proposed **$8,294,513**

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

Hard debt includes $2,169,000 of proposed King County TOD funds and $6,125,513 of tax-exempt loan. Hard debt coverage ratio is 1.15 in year 1.

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

Project would typically apply for City funding, but since site control would be through a ground lease, the City would not be supportive of that model.

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

$422,708 re-contribution of developer fees, BRIDGE is proposing to maximize developer fees and re-contribute excess fees back into the project in order to increase eligible basis and therefore 4% LIHTC funding. After deducting cash fees and deferred fees, BRIDGE will re-contribute to the project all remaining developer fees as a grant or a 0% interest loan with no repayment expected. BRIDGE has successfully utilized this structure to fund more units while stretching public funds in their Oregon and California projects and it is standard practice for almost all developers in California. $129,974 in deferred developer fees.

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

N/A

IV. PROJECT SERVICES & OPERATIONS

4A. OPERATING PRO FORMA

Annual operating expense total/ per unit... $508,614 for the first full year/ $6,873 per unit

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

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Rents are in line with WSHFC rent limits. The project is currently underwritten using utility allowances from the Seattle Housing Authority. However, BRIDGE plans on hiring a consultant to evaluate the Utility Allowance via Method 6 or 8 for inclusion at the 4% application with WSHFC.

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

N/A

Expected vacancy rate

Expected vacancy 5%, typical for this type of project.

Expense comparison

Elevator, Insurance and Fire Safety costs are slightly more expensive for this project. Overall total operating expenses are higher than the median and average for similar affordable housing projects of this size.

Replacement & operating reserve payments

Replacement reserves in year 1 is $25,550, or $345 per unit. Slightly lower than the average of $350 per unit. Capitalized operating reserve is budgeted for $223,945. No budget for capitalized replacement reserves.

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

4B. PROPERTY MANAGEMENT

Property Management Plan

BRIDGE Property Management Company will provide asset management and oversee day-to-today property management by FPI Management. FPI hires onsite staff, provides for the upkeep and maintenance of the project, proper accounting of the project funds, and overall supervision of the project. Monthly reports reflecting the project status are provided to BRIDGE. All units are inspected at a minimum of two times a year on a routine basis. Following a move out, FPI will refurbish units as necessary by shampooing carpet, painting walls and ceiling, cleaning, carpet replacement as needed. In most cases, carpet will be serviceable for 5-7 years. Major repairs will be accomplished by qualified independent contractors. A minimum of 3 bids will be solicited. Common area and walkways cleaned daily. Preventative maintenance program for the property consists of a daily onsite maintenance schedule. Management policy is to complete service requests within 24-hours. All facility maintenance work will be inspected for deferred maintenance items.

FPI management will include an on-site full-time manager, a half-time leasing agent off-site, and a full-time maintenance supervisor.

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4C. SERVICE MODEL & FUNDING ANALYSIS

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

Subsidized Units/ Funding per subsidized unit... **73/ $945.95**

Service Funding			
Funder	**Fund Type**	**Amount**	**Awarded?**
King County	King County VSHSL	$70,000	Proposed
Total		Total here	$70,000

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

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

Since the project will be serving veterans, the project is requesting $70,000 in VSHSL ORS. BRIDGE intends to serve vets with lighter needs. BRIDGE is open to serving lower or higher needs vets as long as the service budget meets the needs. King County ORS funding is prioritized for homeless projects outside of Seattle.

4D. REFERRALS

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

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

N/A

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Referrals/marketing

All individuals and families at the site will have access to the full range of services put in place by BRIDGE and the Opportunity Center; with emphasis on a broad array of service referrals, educational and enrichment activities, and social integration/ community building. The Opportunity Center is committed to developing a veterans' resource navigator role to offer support to residents on-site and facilitate referrals and connections to Opportunity Center and other accessible community-based resources.

The affirmative marketing strategies and early and aggressive community outreach will allow BRIDGE and its management agent to identify interested prospective residents and help potential residents overcome issues that might otherwise lead to denial of a rental application. Prior to the application period, BRIDGE, FPI, and the Opportunity Center staff will provide in-person outreach with a focus of providing information and creating a welcoming leasing opportunity. Staff will establish face-to-face relationships with community leaders, culturally specific organizations, service providers, schools, churches, community centers, the College's Office of Veteran Services and others serving communities of color and veterans in Seattle such as El Centro de la Raza, the Urban League, the United Indians of All Tribes Foundation and Minority Veterans of America, and King County's Veterans Program. These connections will be an important conduit for publicizing opportunities when leasing information is available. Other marketing and leasing channels will include phone calls, in-person visits, and attendance at community groups' regular meetings and gatherings, and housing or resource fairs.

BRIDGE and the Opportunity Center anticipate that language, immigration status, and rental history are going to be the most challenging barriers for housing access. Not having a social security number to work or obtain services, or the education to know what resources could be obtained, often lead to underutilization of services by Latinx and Asian American clients. Immigration status also plays a significant role, causing mistrust of systems and reservation around reaching out or connecting to services. BRIDGE believes that through a trauma informed, culturally responsive and client centered approach, BRIDGE will be able to build relationships and connect to clients and the community to deliver high quality services and support. In addition, clients often have potentially problematic histories such as homelessness, lack of rental history, or poor credit scores all of which present barriers to accessing housing.

To reduce these barriers, BRIDGE has adopted a "screen-in" approach rather than "screen-out" approach for all of the local projects.

BRIDGE's low entry barrier approach is especially crucial for attracting and retaining tenants with higher than average rent burdens and other barriers to housing. BRIDGE employs practices such as the following to reduce barriers and create an open and transparent application and eligibility process.

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

Community spaces will include parking, bike storage, resident services, community rooms, a media room, a business center, a community garden, and a laundry room.

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

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At North Seattle College, in addition to housing, BRIDGE will oversee the implementation of resident services by working with the Opportunity Center and its local and regional community partners to provide high quality programs and services for residents, with the goal of developing a stable and active community. The specific services to be provided by each organization will be described through formal MOU between BRIDGE and its partners, with commitments including goals, objectives, activities and timelines. BRIDGE will be responsible for the overall contracting and coordination of the services programming to be implemented by the Opportunity Center and its staff.

All individuals and families at the site will have access to the full range of services put in place by BRIDGE and the Opportunity Center; with emphasis on a broad array of service referrals, educational and enrichment activities, and social integration/ community building. In addition, physical space will be provided on-site for the primary purpose of offering a range of programs designed to build community, support individuals, and integrate diverse resident populations.

The Opportunity Center will seek to identify unique needs of the housing residents through a variety of means, including individual assessment, to ensure responsive and relevant programs and services. The Opportunity Center is committed to developing a veterans' resource navigator role to offer support to residents on-site and facilitate referrals and connections to Opportunity Center and other accessible community-based resources.

Together, the Opportunity Center, College Office of Veterans Services, Meridian Clinic, and VA will work together to provide seamless social, employment, educational, healthcare services and public assistance benefits to veteran residents and their families.

BRIDGE stated their intent is to serve lower need veterans but would be willing to serve higher needs as long as service funding can adjusted.

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**

The project intends to serve all veterans, 74 units. BRIDGE's proposal assumes $669,000 of new TOD and $3,700,000 of VSHSL funding.

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

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☐ 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)
- ☒ 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** ☒ **N/A**

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

N/A

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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... **0**

KC - Sponsor Projects	
Project Name	**Brief Description**
N/A	BRIDGE does not have any King County funded projects.

How have these KC projects performed?

King County does not have prior projects with BRIDGE Housing Corp in operation.

6B. PIPELINE & DEVELOPMENT CAPACITY

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

# of projects under construction..... **11**

Projects under construction (sample)		
Project Name	**Location**	**Brief description**
North Williams	Portland, OR	New construction of 61 units of affordable multi-family housing.
735 Davis	San Francisco, CA	New construction of 53 multi-family units. Placed in service is anticipated January 2021.
1950 Mission	San Francisco, CA	New construction of 157 multi-family units.

# of projects under development..... **16 (Includes Northgate a County funded project)**

How is the sponsor staffed to handle multiple projects?

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BRIDGE has numerous projects under construction. Many projects listed under construction pipeline have already placed in service or are within a few months of placed in service date, which will free up their pipeline for upcoming projects currently in predevelopment.

6C. SPONSOR FINANCIAL SOUNDNESS

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

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)

BRIDGE did not provide an audit or financial information except what was contained in their IRS Form 990. The 990 indicated compliance with requirements for filing as a 501(C) organization exempt from income tax. The compliance includes listing of all required activities, board structure, policies and reporting requirements. They provided all financial information included in 990 for years 2017 and 2018 and it is assumed 2019 would not be complete until November 2020 (due date is 11/15/2020).

Based on these tax return BRIDGE Housing has a very strong financial balance sheet. Their 2017 return also shows 2016 activity, which includes $20.3M in net income and $64.4M in net assets. In 2017, the net income was $4.8M and net assets was $69.2M. In 2018, the net income was $5.5M and net assets was $74.7M. Their revenues no not indicated federal funding, but public govt. funding includes about $800k from City of San Francisco in 2017 and $1.5M from the Housing Authority of Los Angeles and $786k from the CA State Dept. of Housing and Community Development.

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**

NA

VII. EQUITY & SOCIAL JUSTICE

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

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BRIDGE's proposal will address the housing inequities in King County, specifically among historically underserved, vulnerable, marginalized communities, and/or for individuals with disabilities or for whom English is not a primary language. BRIDGE will address the disproportional representation of persons of color among households who are extremely low-income or homeless by a strategy that ensures these communities are engaged in the planning process, that the communities are affirmatively marketed to, and working with the communities through operations to make sure BRIDGE is fostering an inclusive community. BRIDGE's robust community engagement process starts even before the project is designed. BRIDGE makes sure that people can participate in a variety of ways to eliminate any barriers to meaningful engagement. By promoting engagement and a sense of ownership of the proposed development among the community, the development team will seek above all else to integrate the project and its future residents into the surrounding community. By including community members' input in the design development phase, BRIDGE believes the design intent shown in schematic drawings has the best chance of being retained as the architecture is refined. The strategy of partnering with local non-profits and community groups begins with community engagement and as the project moves along in construction and gets ready to be leased up, it becomes more prominent in helping people apply and reducing any application barriers. After lease up and even with the inclusion of Black, Indigenous, People of Color, BRIDGE understands that their work is not done. BRIDGE continues to work with residents to make sure that they feel not only included and welcomed, but that they have a home where they feel they can thrive economically and socially.

BRIDGE understands that language is often a barrier for historically underserved communities. Staff will establish face-to-face relationships with community leaders, culturally-specific organizations, service providers, schools, churches & faith communities, community centers, and others serving communities of color. These connections will be an important conduit for publicizing opportunities when leasing information is available. Other marketing and leasing channels will include phone calls, in-person visits, and attendance at community groups' regular meetings and gatherings, and housing or resource fairs. BRIDGE will translate fliers into whatever language their demographic research and community partners understand to be spoken in the area. BRIDGE uses census data to understand a community better and from there can figure out what groups to target, and what languages to put their marketing in. BRIDGE does this through culturally-specific media and translated marketing materials. BRIDGE works with local community groups to affirmatively market these populations.

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

BRIDGE's Evaluation Department was created in 2017 to measure the cumulative impact of high-quality, well-managed affordable housing and services on improving families' and seniors' overall quality of life. Data findings ensure data-informed decision-making for programs and services, real estate programming, commercial tenancy, as well as long-term tracking of economic, social and health outcomes. The Evaluation department completes a portfolio-wide survey to better understand its residents and their experiences and satisfaction living in BRIDGE housing. Data are used to inform future housing developments, improve BRIDGE programs and service initiatives, and advocate for the development of more affordable housing and social services to policymakers, investors and philanthropy. BRIDGE's 2019 Household Survey asks residents of roughly 30 properties throughout California, Oregon and Washington to share their experiences. Residents will be able to complete the survey by phone or mail, and residents of some properties will also be able to complete the survey at their building with a member of the BRIDGE research team. The survey is available in up to seven languages, including English. BRIDGE hired researchers from Harder+Company Community Research and the Social Science Research Center (SSRC) at California State University, Fullerton to administer resident surveys and analyze results. Both organizations have many years of experience in developing and conducting surveys. Results from the 2019 survey are still being processed but BRIDGE has devoted itself to listening and constantly gain feedback from residents.

What is the diversity of the board and senior leadership?

Of BRIDGE's board members, 15% identify as being from a community of color and 35% identify as female. The board is filled with people who have grassroots community development experience.

BRIDGE's 2019-2023 strategic plan recognizes inclusion, equity and diversity as a core value. It calls for "celebrating the diversity of the communities [BRIDGE] serves" and "providing opportunity for all while respecting individual differences." BRIDGE believes that its success depends on the ability to understand the needs of the clients and the community, and to accomplish that, the staff and leadership must be as diverse as the people it serves. Currently:

1. 61% of BRIDGE's management staff identify as being from communities of color
2. 78% of BRIDGE senior leadership team are women
3. 75% of BRIDGE's staff identify as being from communities of color
4. 35% of BRIDGE's board identify as female
5. 15% of BRIDGE's board identify as being from communities of color

BRIDGE is committed to the continual improvement of its internal diversity, equity and inclusion metrics and processes. In order to advance BRIDGE's commitment to equity, an interdisciplinary Diversity, Equity & Inclusion team will be formed from BRIDGE leadership, including board and staff, to develop this initiative. In addition, BRIDGE is in the final stages of engaging with a diversity equity and inclusion consultant to develop a multi-year plan. A survey to all employees will provide the baseline structure. In the first year, trainings, one-on-one interviews, coaching, and other activities will focus on senior leadership, with year two building off that learning and engaging all staff.

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VIII. SUMMARY AND RECOMMENDATION

Staff does not recommend the additional funding for this project at this time, due to the early stage of the development project and lack of appropriate funding available this round.

BRIDGE Housing has met with North Seattle College leadership and State Representative Frank Chopp multiple times throughout 2020 to refine the affordable housing program, funding strategy, and deal structure, including a 99-year ground lease as the preferred form of site control. BRIDGE currently has an access agreement to conduct feasibility studies. In order to comply with the requirements of the Washington State Board for Community and Technical Colleges, the College indicated that a formal Request for Information will be issued in September 2020 and BRIDGE intends to apply based on the concepts described in this Combined Funders Application.

The project will be providing much needed housing for veterans in a transit rich high opportunity area. The building is situated in an ideal location with access for tenants to amenities nearby and public transportation through the forthcoming Northgate Link Light Rail Station. If funding is not available from VSHSL for veterans housing, BRIDGE will modify the target population and physical program to serve general low-income families instead.

King County staff will continue to work with BRIDGE to refine the project to be competitive in future funding rounds.

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