

AGENDA

AFFORDABLE HOUSING COMMISSION

May 15, 2024

Hybrid Meeting In-person and via Zoom



Join Zoom Meeting

<https://us02web.zoom.us/j/86176786113?pwd=RlZPd1grcTJZNndlVmxja0tkMkhqQT09>

Meeting ID: 861 7678 6113

Passcode: 554957

AMERICANS WITH DISABILITIES ACT

The City of Ellensburg strives to make our services, programs, and activities readily accessible and usable by individuals with disabilities. Reasonable accommodations will be made upon request. Please furnish the ADA Coordinator with your request in sufficient time for the City to provide a reasonable accommodation by calling the City of Ellensburg ADA Coordinator at (509) 962-7222 or email ADAACoordinator@ellensburgwa.gov.

**CITY OF ELLENSBURG
AFFORDABLE HOUSING COMMISSION AGENDA
Council Chambers
501 North Anderson Street
Ellensburg, WA 98926
And remotely via Zoom
Wednesday, May 15, 2024
4:30 PM - Regular Meeting**

- 1. Call to Order and Roll Call of Members**
- 2. Approval of Agenda (No Public Comment)**
- 3. Approval of Minutes**
 - 3.A May 1, 2024 meeting minutes
- 4. Unfinished Business**
 - 4.A Review applications for 1st and Pine property
- 5. Citizen Comment**
- 6. Staff Update/Discussion Items**
- 7. Commission Representative Update**
- 8. Adjournment**



For more information on the Affordable Housing Commission, contact the Community Development office at
509-962-7270

The Contents of this agenda have been photocopied on recycled paper.



CITY OF ELLENSBURG

Minutes of Affordable Housing Commission, Regular Meeting

Date of Meeting

May 1, 2024

Time of Meeting

4:30 PM

Place of Meeting

**Council Chambers
501 North Anderson Street
Ellensburg, WA 98926
And remotely via Zoom**

1. Call to Order and Roll Call of Members

The meeting was called to order at 4:31 p.m.

Present: Courtney Garzone, Kim Funston (arrived at 4:35 p.m.), Peter Stone, Sarah Bedsaul, and Dan Witkowski

Absent: Delano Palmer, John Perrie

Others Present: Lily Frey-Housing & Grants Administrator; Kathy Boots-Planning Technician; Jeremy Johnston-Planning Manager; David Sturgell, and several members of HopeSource & Inversion Design

2. Approval of Agenda

Garzone motioned to approve the agenda. Motion approved 5-0.

3. Approval of Minutes

3.A April 2, 2024 joint meeting with LDC minutes

Garzone motioned to approve the April 2, 2024, joint meeting minutes. Motion approved 5-0.

Garzone motioned to approve the April 3, 2024, meeting minutes. Motion approved 5-0.

3.B April 3, 2024 regular meeting minutes

4. New Business

4.A Update from Rebecca Wold, Habitat for Humanity - Stuart Meadows

Rebecca Wold gave an update on Stewart Meadows. The Phase I first six houses will be completed today with a dedication on May 18, 2024. Phase II is projected to take place from May 6, 2024-July 2025. Phase III is projected to take place from August 2025-October 2026. The total plan is to build 18 single

family houses that are three bedrooms with two baths. Photos of Phase I houses were shown.

5. Unfinished Business

5.A Review of proposals and presentations - 1st and Pine

i. HopeSource Senior Housing

ii. Inversion Design Build

HopeSource gave a presentation on their proposal to build senior housing. There will be a total of 55 units; a lobby, an office, laundry room, recreation room, and mailboxes. 40 parking spots and two ADA parking spots will be provided. All units will be adaptable for conversion to accessibility units if needed. Case management will be provided. Units are made to be energy efficient. Funding sources were reviewed. AMI, subsidies, vouchers, nursing assistance, square footage costs, and contractor fees were all discussed.

Inversion Design Build gave a presentation on their proposal. There will be a total of 36 units. There will be 12 stacked units of three units. The middle unit will be for the owner, and they will be able to rent the other two units as affordable at 80% AMI and benefit from the rental money. Each homeowner will have open space outside their unit. There will be a common area of open space for potentially a community garden. The units will be energy efficient and all ground units will be ADA-accessible. A third party management company will be responsible for collecting rent and reporting requirements. Homeowners will need to have a mortgage; Inversion has a selected company that is aware of the unique components of this development. Parking is provided. There will be an HOA fee. Each unit will have its own laundry space. One stack would be built immediately, and the other units would be completed in a second phase. AMI and funding were discussed.

A special meeting will be scheduled for May 15, 2024, to discuss proposals. Bedsaul will not be able to attend the meeting. If commissioners have additional questions, they can email them to staff to get a response before the next meeting.

6. Citizen Comment

David Sturgill is supportive of affordable housing projects

7. Staff Update/Discussion Items

May 22, 2024, is an Ad Hoc Committee meeting for the sleep center from 6-8 p.m.

Staff provided an update on the Catherine Lot.

There is a joint special meeting between the City Council and the County Commissioners on the sleep center location on June 13, 2024, at 5:30 p.m.

The July 3, 2024, meeting will remain on the schedule.

8. Commission Representative Update

None

9. Adjournment

The meeting was adjourned at 6:07 p.m.



COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street, Ellensburg WA 98926

DATE: May 1, 2024
To: Affordable Housing Commission
FROM: Lily Frey, Housing & Grants Administrator
RE: 1st and Pine Proposals – Staff Evaluation

BACKGROUND: Consistent with RCW 39.33.015, in October 2021 the City Council designated city-owned parcels 617044 and 937044 as surplus for the construction of affordable housing (resolution 2021-32). The City entered into an affordable housing agreement with a developer in August 2022; after failure to meet development milestones, the City canceled the agreement in September 2023. The City Council and Affordable Housing Commission (AHC) conducted a joint study session in November 2023 to establish priorities for development of the site.

On February 16, 2024, the AHC re-issued a request for proposals (RFP) for the First and Pine property (parcels 937033 and 617033). Two proposals were received in response to the RFP, one of which includes a request for affordable housing sales tax funds in addition to the property contribution.

STAFF ANALYSIS: The following is the staff evaluation of the two applications received. The review focused on readiness to proceed and overall feasibility. The staff evaluation should be incorporated into each Commissioner's review and project scoring. There are calculations for the total cost per unit, city funding per unit, and total cost per square foot that will help to inform the Commissioner evaluations.

The two projects are differently structured and target different potential residents. Both have significant uncertainties as they are in early stages of development. Commissioners are encouraged to consider the feasibility of each proposal in their evaluations and utilize the attached scoring sheet for guidance.

1. HopeSource Senior Housing

Total project budget:	\$27,613,021 (includes \$186,401 est. property value)
Construction start date:	July 2026
Expected project completion:	August 2027
Total units planned:	55 units (49 x 1BR; 4 x 2BR)
City funds requested:	\$1,500,000
City funds/unit:	\$27,272 (does not include property value)
Total cost/unit:	\$502,055 (includes estimated property value)
Total cost/square foot:	\$750 (includes estimated property value and common spaces)

Uncertainties: HopeSource has a history of completing large, complicated affordable housing projects and managing affordable housing developments in Ellensburg.

The project would require significant budget commitments from other sources, including \$6m from the Housing Trust Fund (HTF) in 2025 and a \$3.9 million gap that could be met through County funds among other sources.

The total HTF envelope for 2025 has yet to be set by the legislature, but recent rounds have been increasingly competitive and with a small envelope in 2024, 2025 is expected to be highly competitive.

Funding this project would be making a commitment to a future project that is dependent on raising additional funds through a variety of other processes. Funding would demonstrate municipal commitment to the project.

2. Inversion Design Build

Total project budget:	\$4,685,000 (includes \$250,000 est. property value)
Construction start date:	December 2024
Expected project completion:	August 2025 (phase 1)
Total units planned:	36 units (12 x studio; 24 x 1BR)
City funds requested:	N/A
City funds/unit:	N/A
Total cost/unit:	\$130,138 (includes estimated property value)
Total cost/square foot:	\$230 (includes estimated property value)

Uncertainties: Inversion Design Build has not previously developed and does not currently manage affordable housing in Ellensburg. The model for the proposed project is a five-unit development in Yakima.

This proposal uses very different funding sources and is structured to move much more quickly than a project with additional funding sources and lower affordability set asides, though the success of this approach will depend on securing financing and income-qualified buyers.

NEXT STEPS: Applicants will present project proposals to the Affordable Housing Commission at the May 1 meeting. Each applicant will have the opportunity to present information on their application(s) with time for question and answer from the Commission. Discussion, deliberation, and recommendation on the applications will begin during the May 1 meeting and may extend into the June 6 regular meeting if desired. The Commission may recommend either project for consideration by the City Council or could select to reopen submissions with additional feedback to applicants if desired.

SCORE SHEET: 1st and Pine RFP

RECOMMENDATION:
(circle one)

YES

NO

APPLICANT

PROJECT TITLE

REQUEST AMOUNT (if applicable)

REVIEWER

DATE

Evaluation Criteria	Evaluation	Considerations / Notes
Multifamily Design ☐ Uses site space effectively ☐ Meets requirements for multifamily buildings and landscape requirements	Met / Not Met	
Parking Plan ☐ Corresponds with city parking requirements (0.7 spaces per studio or 1BR unit, or per BR)	Met / Not Met	# Off-street spaces ____
Financial Means to Execute ☐ Other funds confirmed/committed/expected ☐ In-kind contributions ☐ History securing funds to complete similar projects	☐ Recommended ☐ With reservations ☐ Not recommended	
Timeline for Completion ☐ Construction start date: _____ ☐ Expected project completion date: _____ ☐ Demonstrated experience on project/programs of similar size and scope	☐ Recommended ☐ With reservations ☐ Not recommended	
Accessible Units ☐ Number of ADA-accessible units: _____ ☐ Number of units with universal design or other accessibility elements: _____ ☐ Unit design suitability for 62+ age demographic ☐ Unit design suitability for people with disabilities	☐ Recommended ☐ With reservations ☐ Not recommended	
Maximize Density ☐ Housing type (i.e. studio, and 1 bedroom units) ☐ Total number of units ☐ Effective use of available space	☐ Recommended ☐ With reservations ☐ Not recommended	# Studio units ____ # 1BR units ____ # 2+ BR units ____ Total # units ____
Extended Affordability ☐ Length of time committed to affordability in relation to assistance request (minimum affordability retention period 40 years for property contribution) ☐ Ability to meet annual affordability reporting requirements	☐ Recommended ☐ With reservations ☐ Not recommended	
Liveability ☐ Services/amenities (green space / resident amenities) ☐ Project/activity promotes sense of place and community	☐ Recommended ☐ With reservations ☐ Not recommended	



Ph. 844.831.4673
www.hopesource.us
info@hopesource.us

May 2, 2024

City of Ellensburg, Washington
Affordable Housing Commission
RE: May 1, 2024, HopeSource 1st and Pine Senior Housing Proposal Presentation

Dear Commission Members,

This letter is in reference to the closing remarks made by Commission Chair Sarah Bedsual to submit a follow-up summary of any additional points needing clarification from the presentation on May 1, 2024, in the city chambers.

The proposal that was presented in response to the RFP (City of Ellensburg RFP City-Owned Property Contribution for Affordable Housing, February 16, 2024) is a “tried-and-true” approach that has been used by HopeSource and SRI for multiple successfully completed projects. As mentioned during the presentation, the complexity of securing funding sources has always been a strenuous component of affordable housing projects. However, with years of experience in this sector, and a long-standing portfolio of successfully managed affordable and homeless housing, HopeSource and SRI are a strong team and will work diligently with the City to maximize the site’s potential and provide new affordable housing units to the vulnerable population of Ellensburg.

Financing:

Rent levels were established from the published AMI chart for 2024 for Kittitas County, while being in alignment with tax credit financing and HTF guidelines, which is 50% and 60% AMI. These are below market for Ellensburg and fill the need for senior housing at these rent levels. A conservative approach was taken to estimate the cost to build. The due diligence items given in the RFP were limited, so it’s possible that as studies such as geotechnical, survey, and environmental are performed, construction costs could decrease.

Project Delivery:

The intended project delivery method is a “design-bid-build,” with an estimated 12–18-month construction period. There is no anticipation of phasing for this project, as that adds additional time and resources. Every effort will be made to work with local trades, sourcing local materials as much as possible.

Building Design:

This project plans to implement a universal design approach where residents can age in place with the flexibility to support high-functioning, independent living for all people. This project will develop up to 55 affordable units for seniors 55 years old and over, and for people with disabilities. The scale of this project was intended to align with the RFP’s desire to maximize

Ellensburg
606 W 3rd Ave
Ellensburg, WA 98926
509.925.1448

Cle Elum
110 N Pennsylvania Ave
Cle Elum, WA 98922
509.925.1448

Moses Lake
1000 W Ivy Ave
Moses Lake, WA 98837
509.707.0179

Wenatchee
11 Spokane St Suite 101
Wenatchee, WA 98801
509.888.5288

density, directly addressing the recent rise of cost-burdened households and aiming to augment vacancy rates to avoid further housing cost increases.

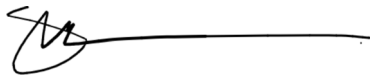
The project is located on a half-acre site at the corner of 1st and Pine, featuring a four-story over one podium apartment building. The building mass has modulation on all four sides, providing an opportunity to use a combination of exterior cladding materials and color to add visual intrigue. The building program includes:

- 45 1-bedroom units, 4 2-bedroom units, and 6 1-bedroom homeless units for a total of 55 units. A minimum of three units will be fully ADA accessible, per ANSI 2017 code requirements at build and all units will be adaptable, capable of adding accessibility features as needed
- Residential amenities such as a lobby, elevator, leasing office, mailboxes, central laundry facility, a communal recreation room, and an open lounge area on floors 2-5 provide additional socialization space
- A total of 40 street level parking spaces, including 2 ADA spaces, located inside the podium with partial open-air parking parallel to the alley. Parking area entrances are away from the intersection to reduce traffic congestion

The L-shaped building mass is positioned to deflect the prevailing northwest winds, and balconies are included in the design to allow access to fresh air from all units. A double loaded corridor design will be implemented to maximize unit square footage. Units are also designed to stack, maximizing the efficiency in plumbing and electrical runs. This project will follow the Evergreen Sustainable Development Standards (ESDS) version 4.0 for new construction.

The above clarifications aim to address any uncertainties from the presentation. Both HopeSource and SRI look forward to this ongoing collaboration.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Grindle", followed by a long horizontal line.

Susan Grindle
CEO, HopeSource

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509.925.1448

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11 Spokane St Suite 101
Wenatchee, WA 98801
509.888.5288

AFFORDABLE HOUSING APPLICATION

Project Name	HopeSource Senior Housing
Agency Name	HopeSource
Contact Person	Craig Kelly
Mailing Address	606 W 3rd Ave.
City	Ellensburg
State	Washington
Zip Code	98926
Phone Number	509-925-1448
Email Address	contracts@hopesource.us
Federal Tax ID #	91-0814544
Unified Business Identifier	600-263-085
Primary Street Address	East 1st Avenue and North Pine Street
City	Ellensburg
State	Washington
Zip Code	98926
Tax Parcel ID#	937033
Check all that apply	New Construction
Select one	Nonprofit organization 501(c)3
Select one	Yes
If you answered yes, please indicate funding source	Central Transit, Paratransit, Cabulance, Low Income Utility Rate Program
Sales Tax funding request:	\$1,500,000
Total project budget:	\$27,613,021
City property contribution (parcel number):	937033 and 617033
Briefly summarize your proposed project in a	This project will develop up to 55 affordable

couple of paragraphs; include a general statement of the project's overall purpose, scope, and intent. (300 words or less)

housing units for seniors 55 years old and over, and for people with disabilities. To maximize density, there will be a mixture of 45 1-bedroom units and 4 2-bedroom units, with an additional 6 1-bedroom units for households experiencing homelessness or at risk of being homeless. Resident income will not exceed 60% AMI, allowing for the contribution of city-provided affordable housing sales tax funds.

Units located throughout the building are adaptable, providing accessibility features while allowing units to best match individual needs when occupied. This project has maximized parking availability by providing 40 total spaces, including 2 ADA spaces. The entrance into the parking area is also located away from the intersection to reduce traffic congestion. Residential amenities include a lobby for office use and resident mailboxes, a centralized laundry facility, a communal recreation room for resident dictated activities, and an open lounge area for additional socialization space.

Overall, this project intends to alleviate cost burdened households, especially those within vulnerable populations, stimulate the local housing inventory, and increase vacancy rates, all while promoting quality of life for residents and creating a more inclusive and supportive neighborhood environment.

Seniors who choose to age in place and people with disabilities can require specific and inclusive support, including transportation services, socialization, care management, and other services focused on stabilization and positive advancement. This project is driven by

HopeSource's mission to move people to self-sufficiency by providing access to...

... education, employment, economic development, and vital services. Residents will be supported by HopeSource's reputable wraparound services, tailored to meet the needs of those who access it.

Please select the primary target population and household income (as a percentage of Area Median Income – AMI) for each unit or group of units requested to be funded by City sales tax and/or to be developed on a City-owned property. If a unit has the potential to be targeted to more than one population group listed, please type in “multiple population groups” and describe in the notes field provided below.

At or below 30% AMI

40% AMI

50% AMI

Population group (e.g. senior citizens, people with disabilities)	Multiple Population
---	---------------------

Qty	27
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Unit type	26 1-bed & 1 2-bed
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Tenant monthly rent/mortgage	\$797 / \$946
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60% AMI

Population group (e.g. senior citizens, people with disabilities)	Seniors
---	---------

Qty	28
-----	----

Unit type	25 1-bed & 3 2-bed
-----------	--------------------

Tenant monthly rent/mortgage	\$966 / \$1,149
------------------------------	-----------------

70%* AMI

80%* AMI

Above 80%** AMI

If applicable, multiple population group notes

Multiple Population serves Seniors and Homeless/At Risk of Being Homeless. Please see attachment for full breakdown, accommodating for webform limitations.

Please include ALL housing units in the project. Projects proposed for City-owned property may be eligible for households earning 80% or below Area Median Income. Projects proposed for City funding must serve households earning 60% or less of Area Median Income and meet one or more of the identified population groups in Section H. If applicant is applying for City funding for a mixed-income development the funding request must be proportional to the number of units that will serve households earning 60% or less of Area Median Income and meet one or more of the identified population groups in Section H.

At or below 30% AMI

40% AMI

50% AMI

1 Bed	26
2 Bed	1
Total Units	27

60% AMI

1 Bed	25
2 Bed	3
Total Units	28

70%* AMI

80%* AMI

Above 80%** AMI

Total

1 Bed	51
2 Bed	4

of ADA Compliant Units

1 Bed	2
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2 Bed	2
Average Square feet	
1 Bed	555
2 Bed	820
The following targets have been identified as having a tangible benefit for intended residents. Please check all that apply to the proposed project location.	• Within 1/2 miles of public transit stop • Within 1/2 mile of park or recreation area • Within 1/2 mile of public school • Within 1/2 mile of senior center • Within 1/2 mile of grocery store with fresh food • Within 1/2 mile of medical services
Please describe how this project will address housing needs in Ellensburg including opportunities for beneficiaries to build financial stability. (200 words or less)	Ellensburg has a significant number of residents over the age of 55, and it is expected to continually rise. According to the most recent City of Ellensburg needs assessment, almost half (46%) of older adults who live alone are cost burdened. Seniors on a fixed income are significantly more likely to be cost-burdened and unable to find affordable housing. This project will meet community need by increasing available housing stock for seniors and people with disabilities. This project will be supported by multiple programs that HopeSource operates explicitly designed to serve vulnerable populations. Rent assistance and case management, transportation services, food security, budgeting skills, and partnerships with Aging and Long-Term Care and Medicaid are some of the support services offered, creating opportunities for participating clients to build financial stability.
Please describe how the proposed project will promote a sense of place and community for intended residents and the greater Ellensburg community. (100 words or less)	This project features a communal recreation room and additional lounge space. This aims to foster community and facilitate social interaction, addressing a common lack of connection within

	the target populations. Located near the downtown Ellensburg core, this project offers close proximity to a wide variety of community amenities including grocery stores, banks, gas stations, medical and urgent care, the library, city parks, and locally owned businesses. The Kittitas County Connector and Central Transit bus stops are within a mile of the site, providing vital access to commercial, retail, and social and support services the community has to offer.
Please describe other tangible benefits the project will have for the intended beneficiaries as well as the greater Ellensburg community. (200 words or less)	By offering affordable housing options to seniors and people with disabilities, this project intends to foster a sense of community and reduce social isolation; promote healthier living and aging by ensuring access to necessary services; stimulate the local economy through increased spending available from no longer cost-burdened households; and reduce the risk of homelessness among these vulnerable populations who are at a higher risk of displacement. This leads to more stability and security overall, and it contributes to the vitality and sustainability of the greater Ellensburg community.
A. Please indicate how this project will help to create or retain affordable housing units in the community. Please note a minimum 20-year period of affordability will be required for any housing projects receiving City funding assistance or a minimum 40-year period of affordability for property contribution. (200 words or less)	HopeSource owns and manages over 900 units of homeless and affordable housing. All projects have maintained their affordability over the years, are fully funded, and have sufficient operating reserves to maintain the structures and serve the populations as intended. HopeSource has developed many projects that include extended affordability periods up to 50 years. For this project, an asset management team will be employed to ensure operations maintain the property for that 50-year period.
B. Monitoring Describe how you plan to monitor and report on affordability requirements. (200	HopeSource cooperates with funders on annual reviews of eligibility and compliance – this

words or less)

includes file review by auditors and site visits by third-party asset managers. Further, HopeSource will employ a third-party management company that provides professional affordable housing services. To date, HopeSource has never had any significant findings as to eligibility of residents nor any deficiencies in property maintenance.

Architect Firm Name	Dahlin Architecture
Contact person and title	Justin Julian, Senior Architect
Phone Number	425-454-8115
Email Address	justin.julian@dahlingroup.com

General Contractor Firm Name	SRI/Rochlin
Contact person and title	Jim Rochlin, Managing Member
Phone Number	425-681-6894
Email Address	jim@sri-rochlin.com

Property Management Firm Name	Quantum Residential
Contact person and title	Kalib Lock, CEO
Phone Number	360-905-0150
Email Address	kalibl@qresinc.com

For completed projects, list only projects completed in the last 5 years.

1

Project Type (single, multifamily, other)	Single
Activity Type (new construction, rehabilitation, acquisition)	Acquisition
Role (owner, developer, etc.)	Owner
City and State	Ellensburg,
# Units	19
Project Start Date	2023

Placed in Service Date	2023
Type of Financing	Legislative
2	
Project Type (single, multifamily, other)	Single
Activity Type (new construction, rehabilitation, acquisition)	Rehabilitati
Role (owner, developer, etc.)	Developer/Ow
City and State	Yakima, WA
# Units	256
Project Start Date	2023
Placed in Service Date	2023
Type of Financing	LIHTC/HTF/
3	
Project Type (single, multifamily, other)	Multifamily
Activity Type (new construction, rehabilitation, acquisition)	New Construc
Role (owner, developer, etc.)	Developer/Ow
City and State	Ellensburg,
# Units	54
Project Start Date	2021
Placed in Service Date	2022
Type of Financing	HOME/LIHTC
For pipeline projects, list projects for which you plan to seek funding in the next 12 months or have received at least one funding commitment.	
1	
Project Type	Multifamily
Activity Type	New Construc
Role (owner, developer, etc.)	Developer/Ow

City and State	Cle Elum, WA
# Units	48
Project Start Date	2023
Type of Financing	HTF/LIHTC/
2	
Project Type	Multifamily
Activity Type	New Construc
Role (owner, developer, etc.)	Developer/Ow
City and State	Ellensburg,
# Units	12
Project Start Date	2024
Type of Financing	CPF
3	
Project Type	Multifamily
Activity Type	Rehabilitati
Role (owner, developer, etc.)	Developer/Ow
City and State	Ellensburg,
# Units	167
Project Start Date	2024
Type of Financing	LIHTC
As applicable, please list similar projects that your organization, or your selected Property Management firm, has managed or currently manages.	
1	
Projects	Hillside M
City and State	Portland,
# Units	100
Target Population	Senior/Dis

Eff. Date of Mgt. Contract	09/21/2020
End Date (or current)	Current
2	
Projects	Lewis & Cl
City and State	Vancouver,
# Units	46
Target Population	Senior
Eff. Date of Mgt. Contract	08/01/2020
End Date (or current)	Current
3	
Projects	Lents Vill
City and State	Portland,
# Units	63
Target Population	Senior
Eff. Date of Mgt. Contract	07/19/2019
End Date (or current)	Current
4	
Projects	Lumen Park
City and State	Anchorage,
# Units	20
Target Population	Senior
Eff. Date of Mgt. Contract	03/01/2023
End Date (or current)	Current
Notes on target population served	Please see attachment for full breakdown, accommodating for webform limitations.

Please complete all information applicable to your project. Include all financing term assumptions even if they are funder's standard terms. Include funds contributed by applicant through initial start-up capital or expected applicant

contribution.

1

Name	Tax Credits
Type	Private Inve
Proposed Amt.	13,213,021
Committed Amt.	1,122,698
Date Applied	01/01/2026
(Projected) award date	03/01/2026
Grant/Loan	N/A
Term	N/A
Payment Structure	N/A

2

Name	HTF
Type	State
Proposed Amt.	6,000,000
Committed Amt.	0
Date Applied	09/01/2025
(Projected) award date	12/01/2025
Grant/Loan	Loan
Term	50
Payment Structure	N/A

3

Name	Perm Loan
Type	Applicant
Proposed Amt.	3,000,000
Committed Amt.	0
Date Applied	09/01/2025

(Projected) award date	12/01/2025
Grant/Loan	Loan
Term	17
Payment Structure	Refinance
What other funds are expected, how will the city funds be used to leverage other funds? (100 words or less)	Please see attachment for full breakdown, accommodating for webform limitations. Total Proposed Amount: \$27,613,021. City Funds Requested: \$1,500,000. The City funds are currently estimated at \$1,500,000 and will be well levered as a 4% LIHTC with public funding. The assumption is that the project will have \$12,090,323 in tax credit equity, \$1,122,698 in deferred developer fee, \$6,000,000 in Housing Trust Fund, \$3,000,000 in a perm loan and an additional \$3,900,000 from other sources including Kittitas County.
Please describe active partnerships, collaboration and/or in kind contributions, volunteer/pro-bono services that support this project. Examples include membership on advisory groups, in-kind, volunteer or financial contributions, sharing data or best practices or community input. Please focus your narrative on contributions to the proposed project, not the agency in general (100 words or less).	HopeSource and Shelter Resources, Inc. have a strong relationship based on over 15 years of collaboration on affordable housing projects in Central Washington. In every project HopeSource and SRI have partnered on, there has been a focus to engage with the local community through the development of the project, seeking participation from a myriad of sources including municipal, residential, and stakeholder contribution. Many of HopeSource's executive leaders and board members are native to the local area and are actively involved in the community, both inside and outside of their official duties, allowing for input that would best serve the community.
Item #121	

Site Control - Purchase and Sale Agreement/Option

Date completed or expected completion	8/1/2024
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Site Control - Closing

Date completed or expected completion	7/1/2026
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Notes/Status	At construction closing.
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Feasibility/Due Diligence - SEPA

Date completed or expected completion	1/1/2026
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Financing - Appraisal

Date completed or expected completion	10/1/2024
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Financing - Financial underwriting

Date completed or expected completion	2/1/2026
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Financing - Application/s for other funding source/s

Date completed or expected completion	2/1/2026
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Notes/Status	Maybe able to go in HTF 2024 round.
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Design/Permitting - Prelim. drawings complete

Date completed or expected completion	2/1/2025
---------------------------------------	----------

Design/Permitting - Site plan approval

Date completed or expected completion	1/1/2026
---------------------------------------	----------

Design/Permitting - Building/civil permit submitted

Date completed or expected completion	5/1/2026
---------------------------------------	----------

Design/Permitting - Building/civil permit issued

Date completed or expected completion	5/1/2026
---------------------------------------	----------

Design/Permitting - Other agency permits issued

Construction - Selection of general contractor

Date completed or expected completion	10/1/2025
---------------------------------------	-----------

Construction - Begin construction

Date completed or expected completion	7/1/2026
---------------------------------------	----------

Construction - Issued certificate of occupancy

Date completed or expected completion	8/11/2027
---------------------------------------	-----------

Occupancy - Selection of management firm

Date completed or expected completion	2/1/2026
---------------------------------------	----------

Occupancy - Begin leasing/sales

Date completed or expected completion	4/1/2027
---------------------------------------	----------

Amounts in the total project cost must be accounted for in full by assigning them to funding sources as appropriate. Do not combine funding sources in a column. All residential development costs should be included in this budget.

Acquisition Costs (existing structures, land, closing costs, etc.)

\$\$ amount of this category	186,401
------------------------------	---------

% of total project cost	.6%
-------------------------	-----

City funds	186,401
------------	---------

Applicant funds	N/A
-----------------	-----

Bank funds	N/A
------------	-----

Other funds	N/A
-------------	-----

Construction Costs (demo, new, rehab, overhead/profit, site work, infrastructure costs, etc.)

\$\$ amount of this category	21,362,458
------------------------------	------------

% of total project cost	77.4%
-------------------------	-------

City funds	N/A
------------	-----

Applicant funds	11,058,155
-----------------	------------

Bank funds	904,303
------------	---------

Other funds	9,400,000
-------------	-----------

Soft Costs (appraisal, legal, tech. experts, enviro. studies, project mgt., other consultants)

\$\$ amount of this category	3,194,803
------------------------------	-----------

% of total project cost	11.6%
-------------------------	-------

City funds	1,313,599
Applicant funds	1,881,204
Bank funds	N/A
Other funds	N/A
Other Development Costs (permits, utility hook-ups, etc.)	
\$\$ amount of this category	500,000
% of total project cost	1.8%
City funds	N/A
Applicant funds	N/A
Bank funds	N/A
Other funds	500,000
Financing Costs (loan and legal fees, etc.)	
\$\$ amount of this category	2,095,697
% of total project cost	7.6%
City funds	N/A
Applicant funds	N/A
Bank funds	2,095,697
Other funds	N/A
Operational or Reserve Costs	
\$\$ amount of this category	273,662
% of total project cost	1%
City funds	N/A
Applicant funds	273,662
Bank funds	N/A
Other funds	N/A
Total Project Cost	
\$\$ amount of this category	27,613,021

% of total project cost	100%
City funds	1,500,000
Applicant funds	13,213,021
Bank funds	3,000,000
Other funds	9,900,000
As necessary, include budget narrative to support and/or supplement the information included in the project budget tables above. (100 words or less)	The budget estimate is based on other affordable housing projects similar in development and design. The hard costs were estimated by SRI based on the conceptual plan attached in the RFP, as well as on other projects and applying wage rates. Soft costs include the typical uses for a 4% LIHTC project and permit costs. A more accurate hard cost can be established once the ALTA survey, geo-tech, and environmental assessment are commissioned and a meeting with the City takes place.
Upload all of the following documents: 1. Documentation of site control 2. Completed City of Ellensburg Pre-Funding Submittal Meeting form3. Documentation to support collaboration 4. Project site/development plan	5._Property_Management_and_Development_Team_Experience_Detailed_Table.pdf (245 KB) 6.A._Financing_Sources_Detailed_Table.pdf (228 KB) Documentation_to_Support_Collaboration_SRI_Letter_of_Commitment.pdf (584 KB) H._Populations_to_be_Served_Detailed_Table.pdf (103 KB) HopeSource_PreFunding_Submittal_Meeting_Form.pdf (106 KB) HopeSource_Project_Site_Development_Plan.pdf (1.34 MB)
Signature of Authorized Applicant Representative	
Date signed	03/29/2024
Name of Authorized Applicant Representative and their title	Susan Grindle, CEO

H. Populations to be served. Please select the primary target population and household income for each unit or group of units requested to be funded by City sales tax and/or to be developed on a City-owned property. If a unit has the potential to be targeted to more than one population group listed, please select "multiple population groups" and describe in the notes field provided below.

PLEASE NOTE: Development proposals that serve households earning greater than 60% of AMI and no identified population group are only eligible for City assistance in the form of city-owned property contributions.

% of Area Median Income	Population group	Qty.	Unit type	Tenant monthly rent/mortgage
50%	Senior citizens	20	1 Bedroom	797
50%	Homeless, at risk of being homeless	8	1 Bedroom	797
50%	Senior citizens	1	2 Bedroom	948
80%	Senior citizens	24	1 Bedroom	968
80%	Senior citizens	3	2 Bedroom	1,149
80%	Senior citizens	1	1 Bedroom	0
80%	Multiple population groups		3 Bedroom	
80%	Multiple population groups		3 Bedroom	
Total		55		

If applicable, multiple population group notes

All units are adaptable to accommodate people with disabilities.
The 1-bedroom with \$0 rent is a manager's unit.

5. PROPERTY MANAGEMENT AND DEVELOPMENT TEAM EXPERIENCE

A. Project Applicant/Developer Experience. For completed projects, list only projects completed in the last five years. For pipeline projects, list projects for which you plan to seek funding in the next 12 months or have received at least one funding commitment.

Projects Completed							
Project Type	Activity Type	Role (i.e. owner, developer)	City and State	# Units	Date development activities began	Placed in service date	Type of financing
Choose an item.	Choose an item.						
Choose an item.	Choose an item.						
Choose an item.	Choose an item.						
Choose an item.	Choose an item.						
Choose an item.	Choose an item.						

Project Pipeline						
Project Type	Activity Type	Role (i.e. owner, developer)	City and State	# Units	Date development activities began	Type of financing
Choose an item.	Choose an item.					
Choose an item.	Choose an item.					
Choose an item.	Choose an item.					

B. Project Property Management Firm Experience. Please list up to 10 similar projects that your organization, or your selected Property Management firm, has managed or currently manages.

Project	City and State	# Units	Population Served	Effective date of management contract	End date (current if still managing)

6. LEVERAGE AND COLLABORATION

- A. Financing Sources.** Please complete all information applicable to your project. Include all financing term assumptions even if they are funder's standard terms. Include funds contributed by applicant through initial start-up capital or expected applicant contribution.

Name	Type	Proposed Amount	Committed Amount	Date Applied	(Projected) award date	Grant/loan	Term	Payment structure
	Choose an item.	\$	\$					
	Choose an item.	\$	\$					
	Choose an item.	\$	\$					
	Choose an item.	\$	\$					
TOTAL		\$						
CITY FUNDS REQUESTED		\$						

- B. Please describe how the City funds/property contribution requested will be leveraged.** What other funds are expected, how will the city funds/property contribution be used to leverage other funds?

- C. Please describe active partnerships, collaboration and/or in-kind contributions and/or volunteers/pro-bono services that support project development.** Examples might include membership on advisory groups, in-kind, volunteer time or financial contributions, sharing data or best practices, and/or soliciting input from community partners. Please focus your narrative on contributions to the proposed project, not for the agency in general.

March 28, 2024

Community Development Department
501 North Anderson Street
Ellensburg, WA 98926
509-962-7231

Re: City of Ellensburg 2024 Affordable Housing Property Contribution Application

I am writing to express our commitment to HopeSource's Senior Housing project. At Shelter Resources, Inc., we recognize the vital role that affordable housing plays in fostering vibrant and inclusive communities.

We have had the privilege of working closely with HopeSource for over 15 years, collaborating on crucial affordable housing projects in Central Washington. We are deeply committed to supporting HopeSource as they continue to address the pressing need for affordable housing in their local communities.

As part of our commitment to this project, we are prepared to offer our full range of resources. We firmly believe that by working in partnership with HopeSource, we can help ensure the success of this important project.

Please contact Jeremy Wilkening, Vice President of Development at 425-324-9456 or jeremyw@shelterresourcesinc.com if you require any further information or assistance.

Sincerely,



Len Brannen
President

Site Summary

- » Area: 0.50 acres
- » Zoning: C-C
- » Allowed Building Height: 60'
- » Parking Requirements:
 - 0.7 spaces **per unit** required for studio & one bedroom units
 - 0.7 spaces **per bedroom** required for two or more bedroom units

Ground Level

40 total parking spaces (2 ADA)

- » 1,300sf Lobby/Amenity/Office & Mail Room

Level 2

- » 12 One Bedroom Adaptable Units at 555 sf (six to be homeless housing)
- » 01 Two Bedroom Adaptable Units at 820 sf
- » 980sf Lounge Area
- » 240sf Laundry facility
- » 540sf Rec/Flex room

Levels 3-5

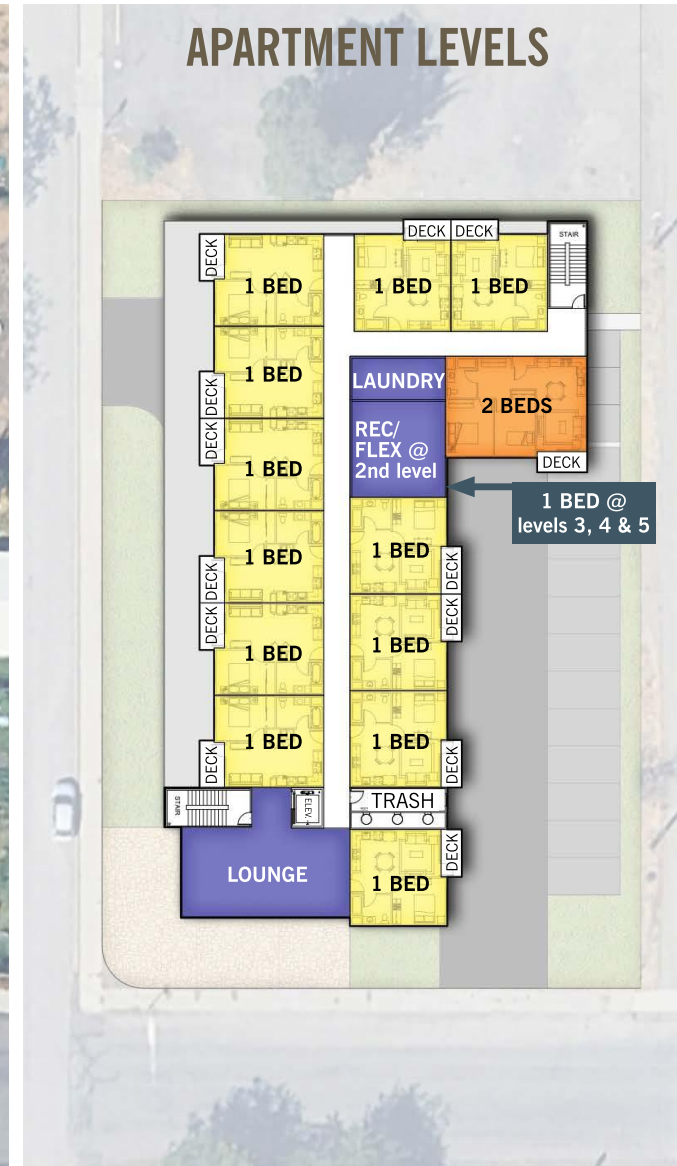
- » 13 One Beds at 555 sf
- » 01 Two Beds at 820 sf
- » 980sf Lounge Area

55 Total Apartments

- » Total gross leasable apt. area: **31,585sf** (incl. homeless units)

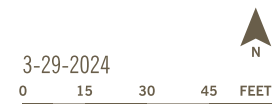
- » Total parking provided: **40**
- » Total parking required: **38**
($45 \times 0.7 = 31.5 \sim 32$)
($4 \times 1.4 = 5.6 \sim 6$)
(2 ADA stalls)

Note: Provided 2 parking spaces for 6 homeless units



E 1st Ave & Pine Street | Ellensburg

Shelter Resources, Inc





E 1st Ave & Pine Street | Ellensburg

Shelter Resources, Inc

DAHLIN

1st and Pine RFP – HopeSource Application Follow Ups

The following questions are were sent by Community Development to the applicant.

Responses were provided by the applicant.

Project Design:

How would HopeSource programs be integrated with this facility plan? Would programs be offered onsite or another approach? Is the rental assistance program intended to link with the recently homeless/at risk of homelessness groups or with this property in another way?

Programs aren't inherently offered on-site, but HopeSource Client Advocates can utilize the available on-site areas when meeting with residents, providing added convenience to those accessing the programs. The rental assistance program, like all offered HopeSource programs, can be accessed by any client who qualifies. Rental assistance is not limited to individuals who are recently homeless/at risk of homelessness. HopeSource could potentially offer rental assistance to qualifying residents at this property.

Financing:

The projected HTF application date is 9/25 with 12/25 as the award date. Is that how long that cycle typically takes?

HFT only accepts applications once a year in early fall, and awards are granted at the end of the year. Given the timing on City's selection of developer in June, there will not be enough time to complete the necessary due diligence, design, and early permitting to submit for HTF funding in 2024.

Kittitas County funds will be well below the \$3.9 million in other funds needed; what other sources are envisioned to meet the funding gap?

Every affordable housing project today has some version of a gap in financing that will get filled – it just takes time. Funding sources for affordable housing vary from year to year. Assuming the currently available source are available in 2025, a potential source is CHIP funding and Apple Health and Homes. HopeSource can also seek a direct appropriation from the State delegation.

Given the amount and complexity of funding needed, how would you envision adjusting the plan if any funding component cannot be secured? (particularly the most challenging funding components)

If a funding source is not achievable, or the funding gap is unable to be filled, a reduction in unit count could decrease the overall budget for the project.

Site Plan / Building Design:

55 total units, including 4x2BRs = 41 total parking spaces needed; we appreciate the explanation of reduced expectation of homeless unit parking usage; is that consistent with what you've seen with homeless units at Spurling Court?

The calculations shown in the left margin used the following logic to land on the 40 parking spots shown:

45 (1-bedroom units) x 0.7 = 31.5 – 32 parking spots required.

4 (2-bedroom units) x 1.4 = 5.4 – 6 parking spots required.

6 (1-bedroom homeless units) x 0.35 = 2.1 – 2 parking spots provided.

This is based under the assumption of asking for an exception with a reduction in the parking rate for these units to be $\frac{1}{2}$ of 0.7 = 0.35. There is no code section that clearly identifies the rate for homeless units. If the 6 homeless units utilizing the parking rate of 0.35 is not acceptable, then it should be noted that there is built-in flexibility within the design to easily eliminate 2 one-bedroom units and provide additional storage and/or rec-flex space. With this study, maximizing the amount of affordable and homeless units to facilitate this type of housing for the City of Ellensburg was a priority. The quick fix (if the 0.35 parking rate for homeless units is not acceptable) would be to eliminate 2 units, as mentioned above.

TOTAL: 55 UNITS

TOTAL: 40 PARKING SPOTS, INCLUDING 2 ADA



AFFORDABLE HOUSING APPLICATION

FOR CITY SALES TAX FUNDING OR PROPERTY CONTRIBUTION

APPLICATION COVER SHEET

Application Instructions

A complete application must include a signed application and the following attachments:

1. Documentation of site control (i.e. fee simple title, valid lease agreement, contract for the purchase and sale of property), not necessary if your application is limited to one of the city-owned properties
2. Completed City of Ellensburg [Pre-Funding Submittal Meeting Application](#)
3. Documentation to support collaboration
4. Project site/development plan

Incomplete applications will not be considered. Missing or incomplete information will result in a forfeiture of application. Do not include any information beyond what is requested in the application. Please note, all funding applications are public record.

Questions

- Questions on land use regulations and building codes, please contact the Community Development Department at 509-962-7231
- Questions on affordable housing funding, please contact Lily Frey at 509 962-7270 or freyl@ci.ellensburg.wa.us.

CERTIFICATION and AUTHORIZED SIGNATURE: To the best of my knowledge and belief, the information contained in this application, and in the additional required documentation submitted with this application, is true and correct. I understand that any false information or omission may disqualify my organization from further consideration for City assistance. I authorize the investigation of any or all statements contained in this application and any other information pertinent to this application and my organization and its employees and board members.

The signatory possesses the legal authority to apply for and receive City of Ellensburg assistance, and the person signing the application has the proper authority from the governing body of the organization. The applicant understands the City will not be responsible for any costs incurred by the applicant in developing and submitting this application, and that all applications submitted become the property of the City and applications are public record.

The applicant agrees that if this project is allocated City funding or property, the applicant will enter into a contract with the City of Ellensburg and will be required to submit annual reports attesting to compliance with the agreed upon retention of affordability and residents of housing developments funded through the City's local housing fund or constructed on property contributed by the City. The applicant further agrees that if this project is allocated City funding or property, it will comply with all federal, state, and local statutes, regulations, policies, and requirements applicable to City assistance. If the awarded project does not show substantial progress within two years of funding award the funds will revert back to the City's affordable housing program for reallocation.

Signature of Authorized Applicant Representative

Date

Name of Authorized Applicant Representative (Please Print or Type)

Title (Please Print or Type)

1. PROJECT DESCRIPTION AND ELIGIBILITY

A. Project Name:

Agency Name:

Contact Person

Mailing Address:

City, State, Zip:

Phone:

Email:

Federal Tax ID:

Unified Business Identifier (UBI):

B. Project Location

Primary Street Address:

City, State, Zip

Tax Parcel ID#:

C. Project Activity (check all that apply)

☐ Acquisition

☐ Demolition/Redevelopment

☐ New Construction

☐ Adaptive Reuse

☐ Rehabilitation

☐ Other

If you checked Other above, please explain:

D. Type of organization or company

☐ Nonprofit organization 501(c)(3)

☐ Public organization

☐ For profit organization

☐ Other: _____

E. Has this organization/developer previously received funding from the City of Ellensburg?

☐ Yes ☐ No If yes, please indicate funding source _____

F. City Assistance Request. Please indicate City sales tax funding request and/or property contribution parcel number. *If you are not applying for sales tax funding or property contribution, please indicate N/A.*

Sales tax funding request: \$ _____ Total project budget: \$ _____

City property contribution: _____
(Parcel Number)

G. Project Summary. Briefly summarize your proposed project in a couple of paragraphs; include a general statement of the project’s overall purpose, scope, and intent. (300 words or less)

H. Populations to be served. Please select the primary target population and household income for each unit or group of units requested to be funded by City sales tax and/or to be developed on a City-owned property. If a unit has the potential to be targeted to more than one population group listed, please select “multiple population groups” and describe in the notes field provided below.

PLEASE NOTE: Development proposals that serve households earning greater than 60% of AMI and no identified population group are only eligible for City assistance in the form of city-owned property contributions.

% of Area Median Income	Population group	Qty.	Unit type	Tenant monthly rent/mortgage
Choose an item	Choose an item.			
Choose an item	Choose an item.			
Choose an item.	Choose an item.			
Choose an item.	Choose an item.			
Choose an item.	Choose an item.			
Choose an item.	Choose an item.			
Choose an item.	Choose an item.			
Choose an item.	Choose an item.			
Total				

If applicable, multiple population group notes

- I. Summary of all housing units.** Please include ALL housing units in the project. Projects proposed for City-owned property may be eligible for households earning 80% or below Area Median Income. Projects proposed for City funding must serve households earning 60% or less of Area Median Income and meet one or more of the identified population groups in Section H.

If applicant is applying for City funding for a mixed-income development the funding request must be proportional to the number of units that will serve households earning 60% or less of Area Median Income and meet one or more of the identified population groups in Section H.

Area Median Income	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom	Total Units
At or below 30%						
40%						
50%						
60%						
70%*						
80%*						
Above 80%**						
Total						
# of ADA Compliant Units						
Average Square feet						

*Not eligible for City funding.

**Not eligible for City-owned property contribution or City funding.

2. COMMUNITY IMPACT

A. Community impacts. The following targets have been identified as having a tangible benefit for intended residents. Please check all that apply to the proposed project location.

- | | |
|---|---|
| ☐ Within ½ mile of public transit stop | ☐ Within ½ mile of senior center |
| ☐ Within ½ mile of park or recreation area | ☐ Within ½ mile of grocery store with fresh food |
| ☐ Within ½ mile of public school | ☐ Within ½ mile of medical services |
| ☐ Other _____ | |

B. Housing needs and financial stability. Please describe how this project will address housing needs in Ellensburg including opportunities for beneficiaries to build financial stability. (200 words or less)

C. Sense of place and community. Please describe how the proposed project will promote a sense of place and community for intended residents and the greater Ellensburg community. (100 words or less)

D. Other community impacts. Please describe other tangible benefits the project will have for the intended beneficiaries as well as the greater Ellensburg community. (200 words or less)

3. RETENTION OF AFFORDABILITY

A. Please indicate how this project will help to retain affordable housing units in the community. Please note a *minimum* 20-year period of affordability will be required for any housing projects receiving City funding or *minimum* 40-year period of affordability for property contribution. (200 words or less)

B. Describe how you plan to monitor and report on affordability requirements. (200 words or less)

4. PROPERTY MANAGEMENT AND DEVELOPMENT

A. Architect (if known)

Firm Name	
Contact Person and Title	
Phone	
Email	

B. General Contractor (if known)

Firm Name	
Contact Person and Title	
Phone	
Email	

C. Property Management Firm (as applicable)

Firm Name	
Contact Person and Title	
Phone	
Email	

5. PROPERTY MANAGEMENT AND DEVELOPMENT TEAM EXPERIENCE

A. Project Applicant/Developer Experience. For completed projects, list only projects completed in the last five years. For pipeline projects, list projects for which you plan to seek funding in the next 12 months or have received at least one funding commitment.

Projects Completed							
Project Type	Activity Type	Role (i.e. owner, developer)	City and State	# Units	Date development activities began	Placed in service date	Type of financing
Choose an item.	Choose an item.						
Choose an item.	Choose an item.						
Choose an item.	Choose an item.						
Choose an item.	Choose an item.						
Choose an item.	Choose an item.						

Project Pipeline						
Project Type	Activity Type	Role (i.e. owner, developer)	City and State	# Units	Date development activities began	Type of financing
Choose an item.	Choose an item.					
Choose an item.	Choose an item.					
Choose an item.	Choose an item.					

B. Project Property Management Firm Experience. Please list up to 10 similar projects that your organization, or your selected Property Management firm, has managed or currently manages.

Project	City and State	# Units	Population Served	Effective date of management contract	End date (current if still managing)

6. LEVERAGE AND COLLABORATION

A. Financing Sources. Please complete all information applicable to your project. Include all financing term assumptions even if they are funder's standard terms. Include funds contributed by applicant through initial start-up capital or expected applicant contribution.

Name	Type	Proposed Amount	Committed Amount	Date Applied	(Projected) award date	Grant/loan	Term	Payment structure
	Choose an item.	\$	\$					
	Choose an item.	\$	\$					
	Choose an item.	\$	\$					
	Choose an item.	\$	\$					
TOTAL		\$						
CITY FUNDS REQUESTED		\$						

B. Please describe how the City funds/property contribution requested will be leveraged. What other funds are expected, how will the city funds/property contribution be used to leverage other funds?

C. Please describe active partnerships, collaboration and/or in-kind contributions and/or volunteers/pro-bono services that support project development. Examples might include membership on advisory groups, in-kind, volunteer time or financial contributions, sharing data or best practices, and/or soliciting input from community partners. Please focus your narrative on contributions to the proposed project, not for the agency in general.

7. PROJECT SCHEDULE AND BUDGET

A. Project Schedule. Provide date completed and status information for the following project tasks. If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed. For each new task you enter in this form, also enter the appropriate category in the “Category” column. For tasks that require additional details, please enter the details only in the “Notes/Status” Column.

Category	Tasks	Date completed or expected completion	Notes/Status
Site Control	Purchase and Sale Agreement/Option		
Site Control	Closing		
Feasibility/Due Diligence	SEPA		
Financing	Appraisal		
Financing	Financial underwriting		
Financing	Application(s) for other funding source(s)		
Design/Permitting	Preliminary drawings completed		
Design/Permitting	Site plan approval		
Design/Permitting	Building/civil permit submitted		
Design/Permitting	Building/civil permits issued		
Design/Permitting	Other agency permits issued		
Construction	Selection of general contractor		
Construction	Begin construction		
Construction	Issued certificate of occupancy		
Occupancy	Selection of management firm		
Occupancy	Begin leasing		

B. Project Budget. Amounts in the total project cost must be accounted for in full by assigning them to funding sources as appropriate. Do not combine funding sources in a column. All residential development costs should be included in this budget.

	\$ amount	% of total project cost	City funds	Applicant funds	Bank funds	Other funds
Cost Category						
Acquisition Costs (existing structures, land, closing costs, etc.)						
Construction Costs (demo, new, rehab, overhead/profit, site work, infrastructure costs, etc.)						
Soft Costs (appraisal, legal, tech. experts, enviro. studies, project management, other consultant)						
Other Development Costs (permits, utility hook-ups, etc.)						
Financing Costs (loans, legal fees, etc.)						
Operational or Reserve Costs						
Total Project Cost						

C. Budget Narrative. As necessary, include budget narrative to support and/or supplement the information included in the budget tables above (100 words or less)

8. ATTACHMENTS TO APPLICATION

- ☐ Documentation of site control (not necessary if project proposal is limited to city-owned property)
- ☐ Completed City of Ellensburg [Pre-Funding Submittal Meeting Application](#)
- ☐ Documentation to support collaboration
- ☐ Project site/development plan

HOME EQUITY NOW

AFFORDABLE HOUSING IN ELLENSBURG

Inversion Design Build 3.29.24

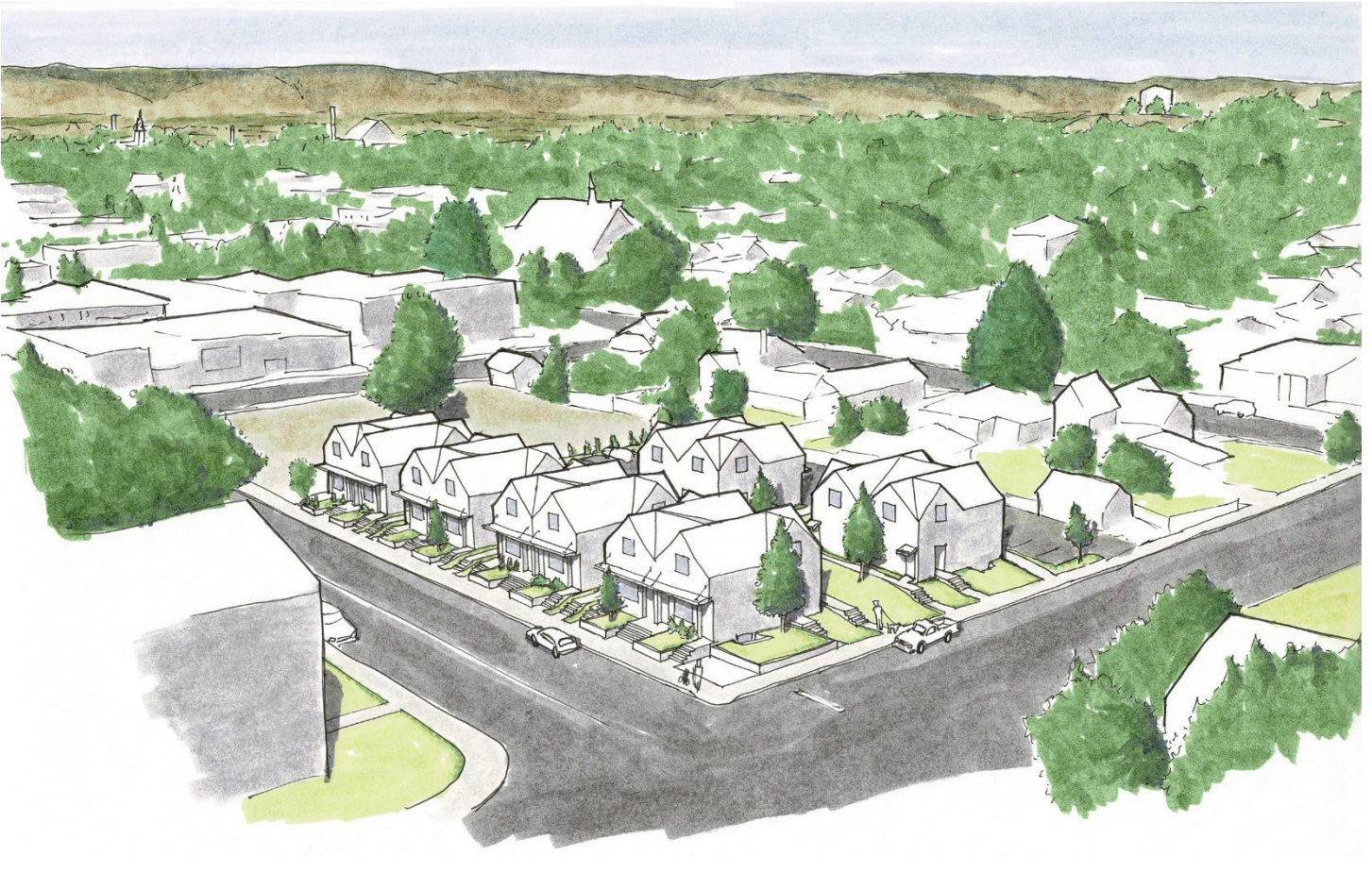


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02 **PROPOSAL**

10 **TEAM**

14 **TL;DR**

15 **ALL THE DETAILS (ADDENDUM)**

PROPOSAL

THE BIG IDEA

36 Units of new housing that are affordable to households earning 80% of the area median income. 12 home ownership units, 12 1-bedroom apartments and 12 studio apartments. The units will be divided into 12 tri-plex 'stacks' to break up the buildings and complement the existing neighborhood scale.

WHY THIS IS A GREAT IDEA

Neighborhood Equity

When a neighborhood grows and prospers, the people who have an equity stake in that neighborhood do well financially regardless of whether they live there. The people who live there but do not have an equity stake either only benefit tangentially through improved amenities, or more often, get pushed out as rents increase and become unaffordable. We believe that the people who live in a community ought to be the ones who benefit financially when the neighborhood is doing well. By linking equity and physical location, we are creating a positive feedback loop of people who care about their place and look after it's well-being. That's why, instead of proposing a rental-only development, we are selling the buildings to 12 new homeowners.

We build to a very high standard. Inversion Design Build is a DOE Net Zero Energy Ready Home Builder Partner which means all our homes are designed to meet the Energy Star Hopes program, the EPA Indoor airPLUS program. These are voluntary programs that we adhere to as builders to ensure that our homes meet the highest standard of energy efficiency and healthy living.

Subtle Density

With 36 units on a half-acre parcel, our proposal is certainly dense. A traditional development would only fit four units in the same area. At the same time, this site is nestled into an existing neighborhood, and we felt that complementing and enhancing the established neighborhood scale would make the units and the neighborhood feel more livable making a smoother transition into the central core. It matters that the places we build for people to live in are places they like being in.

Each unit has direct access to the outdoors with well-proportioned outdoor rooms, porches, and yard areas create a place that is truly attractive and a joy to be in.

Know your Landlord

Rather than a single building, we broke the units into 12 separate 'stacks'. Each stack is owned by an owner-occupant with up to two rental units in the same building. Human connections matter, and when your landlord knows you by name and you see them around the neighborhood it is much easier to work through the little things and not be taken advantage of by corporate managers who make decisions about your living situation from miles or even states away. At the same time, we recognize that not all new homeowners are ready to act as landlords on the first day. All rental units will be set up and managed by a third-party management company for the first 12 months. After that, owner occupants may opt out or continue with the current management company, all while building relationships with their renters and neighbors.

A Bigger Financial Pie for Affordable Housing

Despite historic investments in affordable housing in Washington State, there are still only a handful of sources that most affordable housing providers use to develop new units. Competition for these funds is intense and the total amount available only covers a fraction of the need in any given community. If we are going to address affordable housing holistically for Ellensburg, we need to grow the pie and find new finance sources that can scale to meet the need. In 2021 mortgage lending in Kittitas County alone totaled \$1.97 Billion. In contrast, The Washington State Housing Trust fund, a primary funding source for many affordable housing projects, recently announced an historic investment of \$312 million in 2023 for the entire State, of which, Kittitas County received \$6.7million, and the Ellensburg received \$0. If we are going to address the total need for affordability, if we are going to do it quickly and at scale, then we need to tap into fundings sources that are scaled to meet the need.

Our proposal taps into the private mortgage industry to build affordable units. This gives us three distinct advantages. The first is scale. We know the private mortgage industry can accommodate 12 more units easily and in fact we have dozens of banks and mortgage lenders to choose from. In contrast, public funds are scarce and aggressively sought after by many housing developers. The second is speed. A tradition construction loan and private mortgage lending can typically be underwritten in 3-5 weeks and are accessible year-round. Most public funds are only available once a year and even after funds are awarded, the underwriting and due diligence process takes a minimum of four months and often up to a year or more, and that's only if you are successful on your first application most projects either apply multiple times or wait in a queue for several years before they are awarded funds. If we are awarded this proposal we can start design development immediately and break ground as soon as permits are available, likely still in 2024. The third advantage is regulatory. Most public funds come with strings attached including green building criteria, prevailing wage rate requirements, apprenticeship requirements, as well as overlapping codes like requiring projects to follow both ansi and ufas (accessibility codes). These are all good criteria individually and we truly believe they are well intentioned, but the net result is that all the additional inspections, paperwork, and review processes slow projects down which makes them cost more, but more importantly makes them come online much slower which does not allow them to meet the need on the ground in a timely fashion.

LINE BY LINE PROPOSAL RESPONSE

In order to simplify the proposal review, we have taken the narrative above and broken it out into a question and answer format that follows the proposal criteria line by line as presented in the RFP. After that we created an additional Q&A section to address some of the questions that came up in our meeting with City staff on March 25 and a few more that we anticipate may come up.

RFP PAGE 2

1. *"Applicants are encouraged to meet with City staff" – on March 25 we met with Lily Frey and Jeremy Johnston from the City of Ellensburg. Both were extremely helpful in answering our questions and giving guidance on how to best meet the goals and objectives of this RFP. If awarded, we look forward to working with both of them to bring this proposal into reality*

RFP PAGE 3

3. *"Housing on these properties is required to serve households earning 80% or less of Area Median Income" – Site use will be enforced through a restrictive covenant recorded to the property and held by the City of Ellensburg that restricts rental and sale of units to rents and sale prices that are affordable, and that serve households that earn 80% or less of the area median income. Annual reporting through a third- party management company will ensure compliance.*
 - a. *Zoning: "Allows duplexes, townhouses, and multifamily residential development up to 60 feet" – Our proposed triplex 'stacks' would be considered multifamily residential per the city zoning and have a maximum height of 30 feet.*
 - b. *Parking: "requirements are 0.7 off-street parking spaces per studio, one, or two bedroom unit. In addition, 0.5 off-street bicycle parking spaces per dwelling unit for multifamily dwellings" – with our proposal at 36 units we are required to have 26 parking spaces are proposing 26 spaces. We are also required to have 18 bicycle parking spaces and propose one space per unit for a total of 36 bicycle parking spaces.*
 - c. *Setbacks "Side yard Setback – 5-10 feet; rear yard setback – 20 feet" – All proposed setbacks meet requirements. Please see attached site plan*
 - d. *Streetscape Requirements*
 - i. *Pine Steet is a secondary street; relevant street standards are set forth in ECC 15.510.060.- Proposal meets relevant street standards. See attached site plan*
 - ii. *Landscaped frontage standards on secondary streets:*
 1. *10 feet minimum building setback. – All Buildings have a minimum 10' setback. See attached site plan*
 2. *At least one building entry shall be visible from the sidewalk. – All buildings have at least one visible entry from the sidewalk. Please see attached site perspective*

-
3. *Weather protection at least 3 feet deep shall be provided over all primary entries. – All entries will be covered by at least 3 feet of weather protection. Final design TBD*
 4. *Transparent window area shall be provided along at least 15 percent of the façade of the building. – Design Complies. Please see attached renderings*
 5. *All areas between the sidewalk and the building shall be landscaped, except for walkways, porches, decks, and other areas that meet the definition of pedestrian-oriented space. – Design Complies. Please see attached site plan.*
- iii. *No more than 50 percent of the street frontage can be occupied by off-street parking and driveways. – All parking is accessed through the alley and complies to this requirement. Please see attached site plan*
 - iv. *First Street is a landscape street with the same streetscape requirements as described in the secondary street section above except a 15-foot minimum setback. – Design for the first street streetscape is landscaped and complies with the 15 foot minimum setback. Please see attached site plan*
- e. **Height:** *“The maximum height for a building in the Central Commercial zone is 60 feet.” - The proposed buildings all have a maximum height of 30 feet.*
 - f. **Open space requirements:** *“For multifamily buildings, City Code requires open space at least equal to ten percent of the building living space.” - Proposed open space equals roughly 30% of the building living space.*
4. **Considerations**
 - a. *“If the developer seeks contribution of city-provided affordable housing sales tax funds in addition to property contribution, prevailing wage requirements will apply. Developers will also be required to provide affordability at 60% of Area Median Income.” – We are not seeking contribution of affordable housing sales tax funds for this proposal.*
 - b. *“This property is eligible for the city’s multifamily tax exemption (MFTE) if other program requirements are met.” – We intend to apply for the City’s MFTE program and will comply with all applicable requirements*
-

7. Eligibility Criteria

A. ELIGIBILITY REQUIREMENTS

Eligible households – city-owned property contribution 80% AMI or below (see description in subsection B below)

Eligible applicants – Inversion Design Build is a Private developer and builder

Types of projects/activities - City investment must directly support creation of new affordable housing units – Our proposal creates 36 new affordable housing units

Compliance with city regulations and consistency with comprehensive plan – Our proposal complies with City code and the Goals and Policies of the Ellensburg Comprehensive Plan. Specifically the Goals, Policies and Programs outlined in Chapter 2. For a comprehensive list of the programs supported by this proposal see Addendum A

Compliance with previous financial awards – Inversion Design Build does not have any previous financial awards from the City of Ellensburg

Retention of affordability –“ *Minimum affordability retention of 40 years required for City-owned property contribution.*” - Our proposal would retain affordability in perpetuity or a minimum of 40 years whichever is longer.

B. ELIGIBLE HOUSEHOLDS

Our proposal is intended to comply with all rent and income limits including utility allowances. Please see the attached project Budget proposal and operating pro-forma for details

8. EVALUATION CRITERIA

Design Requirements

1. **Multifamily:** *Our proposal is multifamily and high density residential while also creating ample adjacent outdoor space*
2. **Parking Plan :** *Our parking plan meets minimum requirements by the city of 0.7 parking spaces per unit with 26 parking spaces for 36 units*

Staff Review

3. **Demonstration of financial means to execute the proposal:** *Our team has the capacity and access to execute this proposal immediately. We have demonstrated our ability to execute through the Rose Door Homes development in Yakima which uses the same financing structure and because units will be sold as ownership units, sale financing will be accessed through the buyers using the private mortgage industry and is not dependent on future grant applications.*
4. **A Reasonable Timeline for Completion:** *(please see attached project timeline for details) Phase I could begin construction as soon as permits are secured, which is projected for fall 2024 with a 6 month build schedule. Phase II is scheduled to begin immediately after with a 12 month build schedule. First units would be leased up and occupied Summer of 2025 and the projected completion date for all units and phases is Spring 2026.*

Preferred Features

5. **Accessible Units** – *All ground floor units will be completely ADA accessible and site design will follow universal design principles, specifically focused on creating positive*

sensory experiences and an environment that supports the real and perceived safe places through trauma informed design.

- 6. *Proposals that maximize density*** – 36 units on a half-acre is a dense development. It is possible to have more density, but it would significantly impact the site's open space and livability as well as its ability to moderate the scale transition between residential neighborhoods to the South and East. And the downtown to the North. We are proud that our proposal delivers on density while optimizing for livability.
 - 7. *Proposals that maximize affordability timeline commitments*** – Our proposal moves fast. We plan to be moving dirt this year which is much quicker than is normal for affordable housing developments. The timeline is designed to scale to meet the need for affordable housing and we hope to use the finance and delivery model as a precedent for future sites.
 - 8. *Proposals that account for livability*** – Livability was top of mind as we created our proposal and we hope it shows. Giving all units direct access to the outside, allowing light on three sides of each unit, creating positive connections to the street front and central outdoor space. Committing to Energy Star, Net Zero Energy Ready and Indoor airPLUS all contribute to homes that are filled with natural light and healthy materials.
-

ADDITIONAL QUESTIONS AND ANSWERS:

Q : How would you envision encumbering the site for the affordability commitment?

A: There are a number of ways to do this given our proposal. Our preferred method would be to record a covenant to the title that could be carried and enforced by the City of Ellensburg that commits all rental units to serve households with incomes at or below 80% of the Area Median Income as reported annually by HUD, and to commit all unit sales to buyers with incomes at or below 80% of area median income. The details will need to be negotiated with the City prior to signing contracts and based on our communications thus far we are confident we can agree on language that will preserve the City's affordability interest in the property.

Q: How would homeownership work? Would the units be condominiums? Or would the site need to be subdivided?

A: We would follow the same template that we used with our Rose Door Homes development (see attached reference work) where owners would own the dirt under and around their unit, they would own their roof, and everything in-between. The site would remain a single parcel, but each unit would be recorded to the title through a declaration of condominium and common areas would be managed the a Home Owners Association. We have found that ownership units that encompass the entire building and the land under it are much easier to underwrite and finance.

Q: Do you have any experience with this type of hybrid funding and ownership arrangement?

A: Yes, our Rose Door Homes follows a very similar template and we plan to develop more properties of this type.

Q: Who would be the contractor?

A: As an architect led design/build firm Inversion Design/Build is both a licensed architecture firm and we are a general contractor through our partner organization, Inversion Construction. This is the model we used for Rose Door Homes and is integral to our ability to design and build high quality homes quickly.

TEAM

ABOUT INVERSION DESIGN BUILD

Inversion Design Build is a Social Purpose Corporation which means we are a for-profit business, but we are organized around a common mission which for us, is to afford anyone the chance to own a home.

BRINING HOME OWNERSHIP WITHIN REACH

Everyone deserves an equity stake in their community. That's why at Inversion Design Build we create homes that you can afford right now and will be around for many generations to come.

Inversion is an architect-led design/build firm based in Yakima, Washington. We specialize in sustainable, resilient and affordable homes. We work with homeowners and local organizations to build "missing middle" houses that weave themselves into their natural surroundings and historic context.

A HOME IS A LAYER CAKE OF EQUITY.

Financial equity

Social equity

Environmental equity

Neighborhood equity

When residents of a neighborhood own their home, they have a financial stake in the wellbeing of their neighborhood and see real dividends when it prospers. We believe neighborhoods work best when the people who live there benefit financially as well as socially when the community develops.

OUR MISSION IS TO AFFORD ANYONE
THE CHANCE TO OWN A HOME

- INVERSION DESIGN BUILD MISSION STATEMENT

TEAM MEMBERS

NATHAN POEL

Nathan founded Inversion Design Build in 2021 with a vision that there was a better way to build affordable housing in our communities. Nathan has been designing and developing multi-family homes in Washington State for twelve years.

Nathan is a LEED Accredited Professional and a licensed Architect in Washington State.



JORDAN LOWE

Jordan was employee number one when Inversion started. He has enjoyed professional growth (received his architecture license in the first year!) but is energized by the mission and the chance to make positive change in his community. Jordan and his family settled in Ellensburg with their two boys and live two blocks away from 1st Avenue and Pine Street



ALEX JAMES

Alex is a master carpenter and comes to Inversion with 30 years of experience. With a record of success that led to great proficiency and an established record of safe jobsite practices. He has a proven history of on-time, on-budget and high-quality project completions. With strong interpersonal skills, he is adept at working with architects, designers, laborers, engineers, and stakeholders of varying backgrounds.



BARBARA CLINE

Barbara's professional practice celebrates the dance between art and science. Her hands-on style of integrating the project team generates projects of all types and sizes whose outcomes are appropriate to project goals, budget, and schedule parameters. Her professional leadership specifically targets detailed pre-project planning; programming; design identification; code and compliance reviews; interior design; and documentation of these critical steps of project implementation. Barbara's direct experience with housing has been augmented by 35 years as an architect and owner working directly with contractors and subcontractors to build and remodel houses and buildings.

Barbara is a licensed Architect in Washington State.



EXPERIENCE

COTTAGE HILL PLACE

Yakima, Washington | In Progress

Developed with Justice Housing Yakima
Trauma informed design approach for
Permanent Supportive Housing.

Establishing a multifamily development
consisting of 17 dwelling units in two
buildings and an amenity building.

7,500 square feet | Contract Amount
\$220,000



PATHWAYS

Ellensburg, Washington | In Progress

Developed with Hopesource

Conversion of a 2-bedroom motel
building into 16 one bedroom
apartments plus one manager unit.

10,600 square feet | Contracted Amount
\$86,000



ROSE DOOR HOMES

Yakima, Washington | In Progress

5 new net-zero energy ready homes
designed for first time home owners to
have an equity stake in their homes.

4,900 square feet | Contract Amount
\$220,000



TL;DR

EQUITY IN YOUR PLACE

- *Leverage the private mortgage industry to build more affordable housing and leave public grants open for non-profits*
- *Move fast, break ground in 2024*
- *Build 36 new units*
 - *12 new homeowner "stacks"*
 - *24 new rental units*
- *Allow more residents to have an equity stake in their homes and neighborhoods*
- *Leverage rents to create more affordability locally*
- *Scale the design to fit the neighborhood*
- *All units designed to meet DOE Net Zero Energy Ready program*
- *all affordable at 80% of area median income*
- *12 accessible one-bedroom units*
- *12 'convertible' 1 bedroom lower units*
- *12 studio loft units*

ADDENDA

	TITLE
	COMPREHENSIVE PLAN SUPPORT FOR GOALS, POLICIES, AND PROGRAMS
	SITE PLAN
	STACK DIAGRAM
	BIRDS EYE PERSPECTIVE
	CONSTRUCTION BUDGET
	HOMEBUYER BUDGET

ADDENDUM A

COMPREHENSIVE PLAN SUPPORT FOR GOALS, POLICIES, AND PROGRAMS

This is a list of the goals, policies, and programs, directly supported by our proposal as listed in Chapter 2 of the Ellensburg Comprehensive Plan.

Goal H-1: Preserve, protect, and strengthen the vitality and stability of existing neighborhoods.

Policy A

Program 1 - Integrate new development, with consideration to design and scale that complements existing neighborhoods, and provides effective transitions between different uses and intensities.

Program 2 - Encourage infill development on vacant and underused sites.

Policy C - Protect and connect residential neighborhoods so they retain identity and character and provide amenities that enhance quality of life.

Program 1 - Encourage housing opportunities in mixed residential/commercial settings throughout the city.

Program 2 - Provide increased residential density and improve infrastructure along arterials and transit routes through redevelopment and retrofitting, such as sidewalks and stormwater treatment.

Program 3 - Assure that site, landscaping, building, and design regulations create effective transitions between different land uses and densities.

Policy D - Promote sense of place in neighborhoods.

Program 1 - Promote high quality design that is compatible with the overall style and character of established neighborhoods.

Program 3 - Encourage the use of long-lived, low-maintenance building materials; high efficiency energy systems; and low impact development techniques that reduce housing life-cycle costs and provide better environmental performance.

Program 4 - Foster innovative housing and mixtures of housing types that preserve natural resources and consolidate open space.

Goal H-2: Allow and encourage and accommodate a variety of housing types and densities to meet housing needs of all economic segments of the community.

Policy B - Encourage residential development in commercial and mixed use zones, especially those within proximity to transit.

Program 1 - Expand the Multifamily Tax Exemption program beyond the downtown area to encourage multifamily housing in other areas where it is needed.

Policy D - Create and preserve ADA accessible and affordable housing opportunities locally and with a regional perspective.

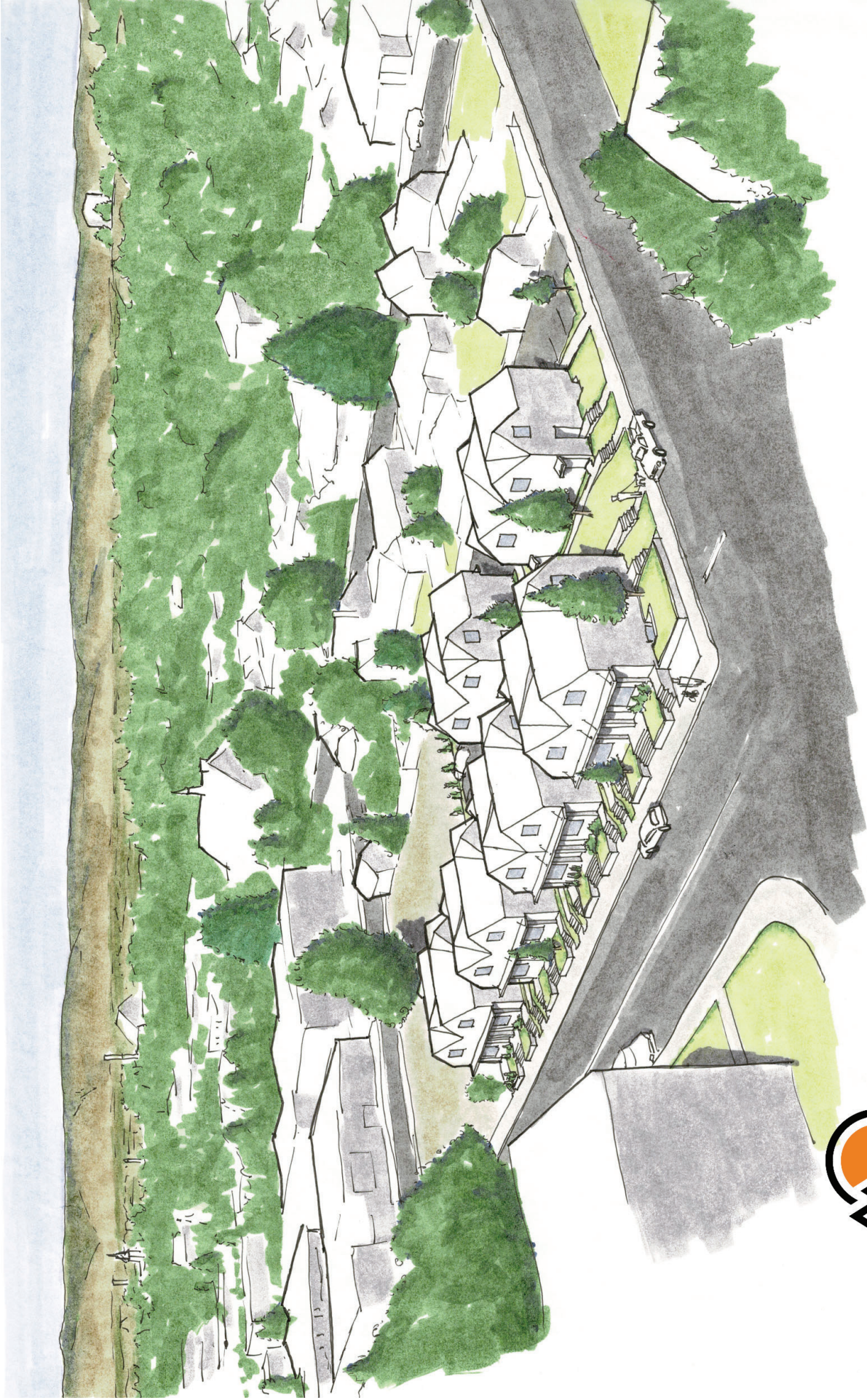
Program 1 - Promote working partnerships with public, private, non-profit groups, and developers to plan and develop a range of housing choices.

Goal H-3: Encourage and support a variety of housing opportunities for older adults and people with disabilities.

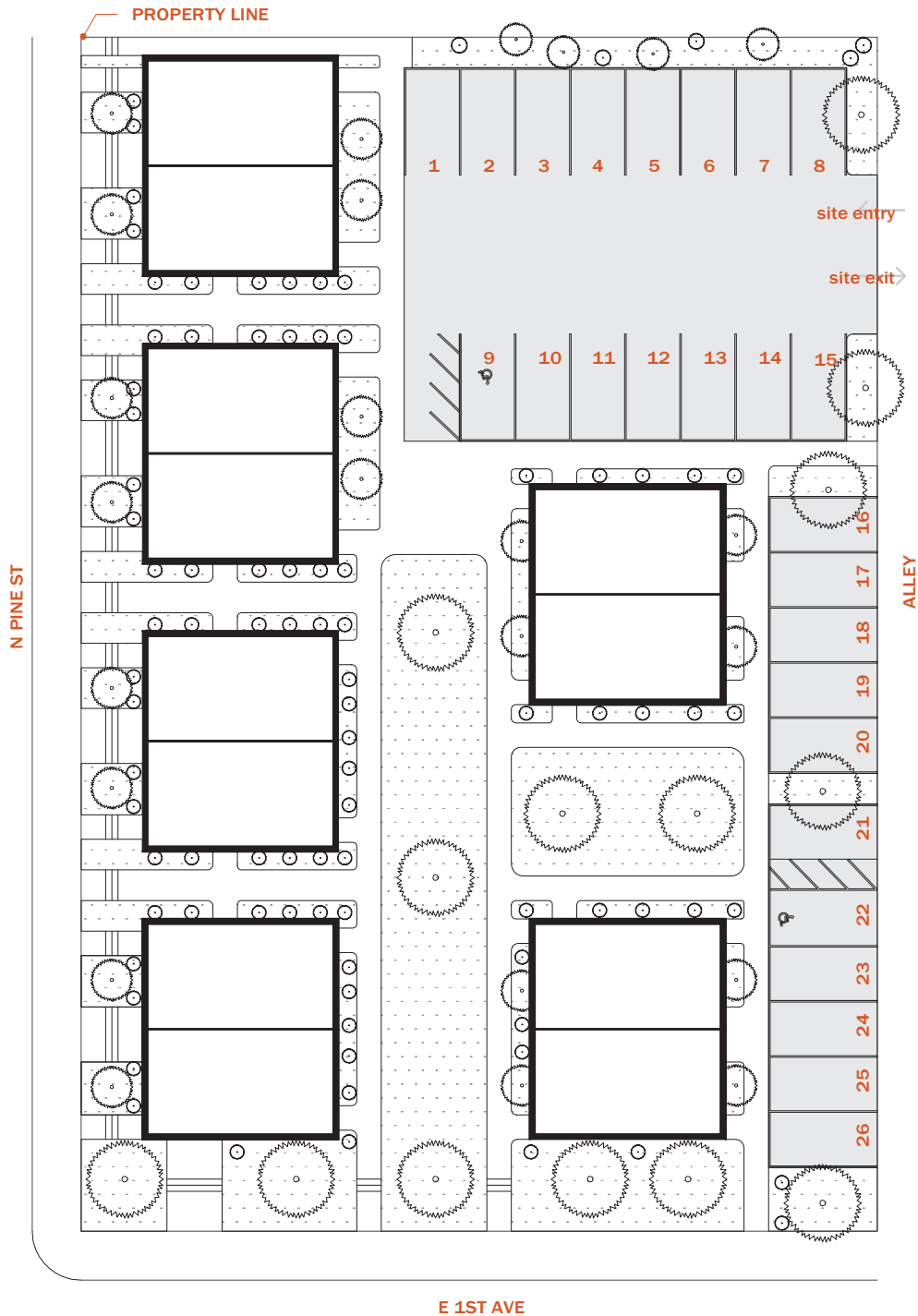
Policy A - Collaborate with other jurisdictions, organizations, and private developers to meet special housing needs that address a broad spectrum of solutions.

Program 1 - Promote accessible and affordable housing in areas that are close to services and the rest of the community.

Program 2 - Coordinate with local organizations and agencies to provide sufficient and affordable home maintenance and support services.



INVERSION
DESIGN · BUILD



REQUIREMENTS (CC)

- 0.7 spaces per dwelling units
- 36 units for 26 parking spaces

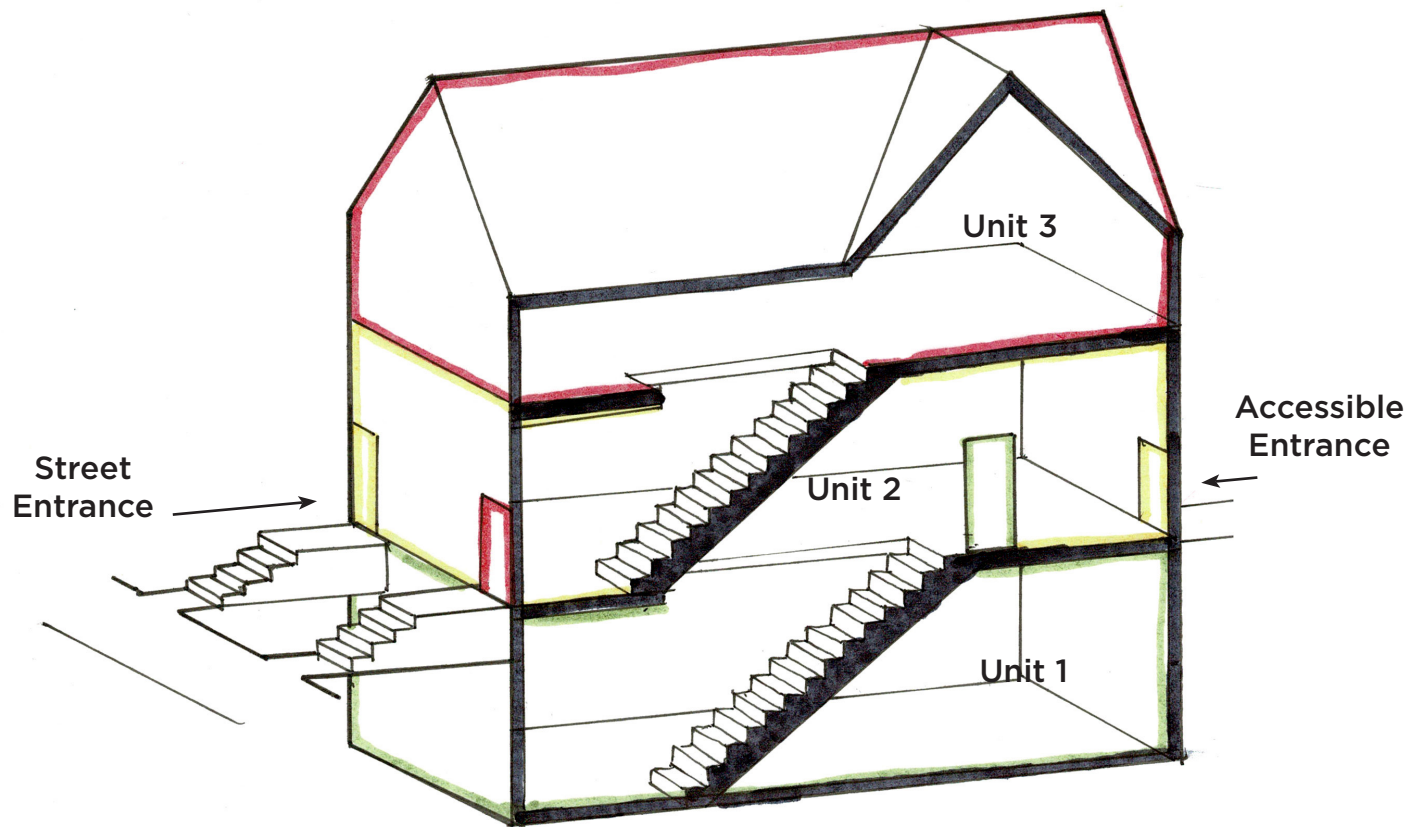
- 0.5 off-street bicycle parking spaces per dwelling unit
- 18 bicycle parking spaces for 36 units

- 10% of building sqft for open space (not including corridors, lobbies, ect.) no dimension less than 15' in width

PARKING REQUIREMENTS

- all parking spaces shall be within 50' of a planting island w/tree
- one tree required per island





Stack Diagram



EXHIBIT: SOURCES AND USES

Projected Development Costs (Both Phases)

Projects Costs

Site Acquisition Cost	\$24,373 ^a
Construction Hard Costs	\$3,578,232
Construction Contingency	\$328,400
Project Soft Costs	\$750,537
Total Project Cost	\$4,681,542

Contributions

Equity Contribution	\$1,191,542
City of Ellensburg Land	\$250,000 ^b
Construction Loan	\$3,490,000
Total Contributions	\$4,931,542

	SF per unit	Number	Total Square Feet
Level 1 ADA Accessible 1-2 Bed	650	12	7,800
Level 2 Studio	450	12	5,400
Level Ground 1 Bed	600	12	7,200
Total		36	20,400

^a includes appraisal, survey, phase I environmental and legal

^b estimated value. Final value to be assessed through appraisal



EXHIBIT: EXAMPLE BUYER BUDGET

2 Person Household	100%	97300
at 80% AMI	80%	Income: \$57,600
	\$	28.80 hour
		2000 hours/year
	\$	57,600 Year
	30%	\$ 17,280 Can pay Towards PITI

Income Towards Rent	\$ 1,440.00	/month
Rent From 1br	\$ 1,350.00	
Rent From Studio	\$ 1,260.00	
Less Vacancy	\$ (652.50)	25%
Less HOA Fee	\$ (52.20)	
Less Prop Management Fee	\$ (156.60)	
Less Utility Allowance	\$ (212.00)	
	<u>\$ 2,976.70</u>	

Mortgage		
Rate	7.00%	
NPER	360	
PI	\$1,190.00	
Taxes	\$ 1,500	(annual)
Insurance	\$ 1,500	(annual)
PITI	\$ 1,440.00	Monthly

Affordable Mortgage Payment
\$447,421
Home Sale Price
\$447,200

*Down payment assistance available through seller for income qualified buyers.
Subject to approval by mortgage lender.

Inversion Design Build - RFP Follow Ups

The following questions were sent by Community Development to the applicant. **Responses are provided by the applicant.**

Schedule:

1. What is the Phase I/II breakdown? How would they manage construction alongside habitation on the limited-size parcel? **The Phase I scope would have a minimum of the first six units or two stacks (this is the most likely scenario) but could include all 36 units depending on the number of buyers that express interest prior to construction start. Phase 2 would include the remainder of the total 36 units. The intention here is to move as quickly as possible to build and fit out at least one unit to show interested buyers. From our experience, having a show unit is especially important for price sensitive buyers and staggering the build into two phases is the fastest way to ensure we sell and/or lease all units as quickly as possible.**
2. Are all of the dates in the proposed schedule limited to phase I? **That is correct. It was all that we were able to fit in the given form. We can make a schedule addendum or supplemental showing all phases if that is acceptable.**

Design:

3. What are outdoor rooms? (proposal page 3) Where would they be located on the site? **Outdoor rooms include porches, patios, balconies, decks, and well-defined yard space that acts as a discreet and defensible outdoor space. Final designs will take more effort but we attached a diagram to illustrate the concept further. Outdoor rooms play several essential and overlapping functions. They act as a semi-private 'buffer' between the public right of way and a private residence, they allow neighborly connection and conversation while still maintaining clear social boundaries, they allow personalization of the expression of a home to the neighborhood and allow residents to enjoy being outdoors while still being at home. They are also a fraction of the cost of indoor living space so while they do not replace living rooms or bedrooms, they can greatly increase the livability of a home without much added cost. Finally, if done well, outdoor rooms can expand the feel of the indoor spaces through strategic use of windows and sightlines so the home itself feels bigger and more accommodating than the square footage would suggest.**
4. Where would porches be located on the buildings? **See above and the updated diagram attached.** [Note: diagram follows]
5. The proposal indicates 12 ADA-accessible units and rendering shows stairs from street to internal courtyard/second floor entrances. How are you envisioning managing the currently level site to provide ADA access to second floor units? **The site has a slight step-up from Pine street and the steps in our renderings were meant to reflect our strategy to navigate that grade. All ground floor units (second one up in our diagram) would be cited to be at grade off the central courtyard to ensure accessibility.**
6. How would ground floor or basement units be accessed? How would third floor units be accessed? **We updated our unit diagram (attached) to reflect how access to each unit would be achieved. Please keep in mind these are schematic concepts and will likely shift**

as we resolve floor plans and outdoor space for each unit. [Note: revised diagram provided earlier in packet]

7. Are you budgeting/planning for sprinklers throughout the buildings? **Our current strategy allows for an un-sprinklered building however that may not be cost effective given the added fire separation requirements. Our final strategy will be decided during design development after we can conduct a more thorough cost/benefit analysis.**

Budget and Financing:

8. How would changes related to items 1, 2 and 5 above affect project feasibility? **The project is feasible including all adjustments suggested from 1,2, and 5. Please see the attached updated budget.** [Note: these questions and responses are reflected in the updated budget in the packet]
9. How have you estimated hard and soft costs for the project? **Hard and soft costs are based on past project data from our most recent bids at Rose Door Homes and Cottage Hill Place.**
10. Where are you in the process of identifying/securing additional funding? **We have made our current lenders aware that we are submitting a proposal but will not pursue additional funding until and award is announced.**
11. Rents from non-ownership units are calculated based on the maximum affordability at 80% AMI. What reviews have you done to substantiate the demand for rental units at this price point and location? **We have gathered market data from the City of Ellensburg as well as the U of Washington Runstad Center for Real Estate. We have not conducted a formal market study.**
12. The rental amount is also the maximum inclusive of utility allowances for renters; how is the utility allowance in the example budget calculated? Does it include all costs for all three units? **Allowances were calculated based on the Yakima Housing Authority utility allowances. Given the level of air tightness and energy efficiency it may be more cost effective to include utilities in the cost of rent and not pass them on to residents.**
13. Have you gathered information about demand for a three-unit rental property in this sale price range in Ellensburg? What would happen to the project if you did not identify income-qualified buyers? (By way of example, it would be interesting to hear how many qualified buyers you have identified for the Rose Door Homes project.) **We have not but can certainly have that information available at the interview with the affordable housing committee.**
14. If you have incorporated any learning from your feasibility assessment from the Catherine property ownership design proposal, we would be interested to hear how your model has developed. **I am not sure which project you are referring to. Was this the property we applied for alongside Habitat for Humanity two years ago? We do have several learnings from our work both with Rose Door Homes as well as the Live/Work development we have in process for Downtown Yakima and can share what we have from those developments with the affordable housing committee.**



Visual of outdoor rooms