

Regional Housing Council

Agenda: Wednesday August 25th, 2021 (4:00 p.m. – 5:30 p.m.) (via Zoom)

Jim Cooper: Chair, Carolina Mejia: Vice-Chair

#	TIME	AGENDA ITEM	LEAD	ACTION
1	4:00 – 4:05	Welcome and Introductions <ul style="list-style-type: none">• Check-in• Review Agenda/Meeting Purpose	Jim	
2	4:05 – 4:15	Public Comment For public comment, please keep your comments to 3 minutes.	Jim	Information
3	4:15 – 4:20	Approval of July minutes	Jim	Action
4	4:20 – 4:30	Future Retreat Planning with HAT	Jim	Discussion
5	4:30 – 5:00	2828 Martin Way Phase II Presentation and Request	Cary	Presentation and Action
6	5:00 – 5:20	Technical Team working group updates	Cary	Information
7	5:20 – 5:30	Good of the Order	Jim	Information
8	5:30	Upcoming Meetings <ul style="list-style-type: none">• Next RHC Meeting Wednesday September 22nd, 4:00pm Location: Zoom meeting		Information

REGIONAL HOUSING COUNCIL

Wednesday July 28th, 2021 Meeting Minutes

ATTENDEES:

Lacey: Carolyn Cox, Lenny Greenstein, Rick Walk, Kelly Adams

Tumwater: Michael Althaus, Joan Cathey, John Doan, Brad Medrud

Olympia: Jim Cooper, Dani Madrone, Keith Stahley, Cary Retlin

Thurston County: Carolina Mejia, Ramiro Chavez, Tom Webster, Keylee Marineau, Jacinda Steltjes

South County: None

Public: Jeff Lawyer, James Madison

Meeting began at 4:00 pm.

Agenda Item 1: Agenda approved with Keylee's topic moved to top of agenda.

Agenda Item 2: Public Comment

Jeff Loyer: Jeff is from "Better than a Tent" group lead by United Churches of Olympia. Their goal is to build microshelters from plywood and lumber for people to have better shelter in the camps. They hope to build 50 more shelters this summer. They are asking for people to donate funds, materials, labor.

James Madison: Supports the work RHC is doing, interested in joining the Affordable Housing Team workgroup. Looking to find ways for more funding locally to get bigger projects and services funded.

Agenda Item 3: Minutes from June: Motion and second, all approved.

Agenda Item 4: Community Solutions

Keylee gave an update: following the RHC July meeting, the County received an agreement example from Community Solutions (CS). Providence is the fiscal sponsor, the fiscal signer will be Providence, Thurston County will be the signer for the duties in the Agreement. The agreement example has standard contract language. County met with Community Solutions to discuss details of the Scope of Work. There is an auto-renewal every year through 2025. CS is responsible for: 2 national learning sessions, 2 action cycles (activities include coaching, strategy development, TA), data capacity building. County obligation is to engage fully, with focus initially on Chronic or Veteran homelessness, and to pursue racial equity. Data requirements include obtaining quality data, data maintenance, Tableau training, sharing aggregate data. Teams: Improvement Team, Data Team, Senior Lead Team, Public/Private funding team, Emergency Response team, Stakeholder Team.

Are there examples of Communities where this approach has had an impact? Community Solutions website has the list of Communities for reference. Bakersfield, CA and San Diego have both achieved functional zero for the single adult population. Our cohort will begin in early November. RHC request to let CS know that the RHC will be having a retreat in October if there is anything they can work on at that time.

Agenda Item 5: Future Retreat Planning

Tom gave an update: the RHC talked about engaging with the HAT executive team to plan a retreat for this fall. The HAT executive team is happy to engage with the RHC. Next step is to set a date and find a facilitator, Jim and Carolina will work with the HAT team to set an agenda. Late September or early October would be a good time for a retreat. They have asked 2 consultants to provide an estimate for a facilitator. Retreat topics ideas: What is the relationship between RHC and HAT, how do they work together to make funding decisions, how to have their work address the immediate crisis/intervention as well as homeless prevention, and discuss the RHC workplan. Councilmember Madrone mentions that each jurisdiction will have their Housing Action Plans to provide guidance as well. Plan to invite the HAT executive team to the RHC executive team meeting.

Agenda Item 6: Technical Team working group updates

Tom gave an update: the Funding workgroup met, they spent time discussing new funding sources (1277 funds, HOME ARPA funding, 1406). They also talked about the Pipeline, would like to schedule an Affordable Housing Team and Funding group meeting to discuss the pipeline process.

The Siting workgroup met to discuss existing sites, their role with the PSH workgroup to make sure there is not duplication of efforts. Keith added that there is overlap between several teams. The Siting group initially had the specific task of identifying sites, which has been completed. May look at consolidating groups to avoid any redundant meetings. They do still need to find an alternative to Ensign Road, buses are now be routed off of Ensign. Olympia is buying the Quality Inn site, this may be a relocation site for the Mitigation site. The Mitigation site that started 3 years ago was intended to be temporary. However, this is not a final decision.

The PSH workgroup has been meeting every 2 weeks, the strategy will be presented to the RHC in September. PSH will give a proposal to the Funding Workgroup in August. The County and Lacey have also been meeting to discuss hotel acquisition.

Agenda Item 7: Communications Team Update

Meghan gave an update, they have redesigned and moved the website under the BoCC website. Thurston Talk has published an article on the RHC, and they have sent out 3 news releases. Donna Feliciano from the City of Lacey developed 2 logo options, one circular, one horizontal. Discussion follows regarding if the housing style could be modified to include different types of housing, the circle shape of circle is encompassing/inclusive, agreement that in the horizontal version it is easier to read the jurisdiction names. These suggestions will go back to the team for revisions to the logo ideas and bring them back to RHC.

Agenda Item 8: Future Meetings, In-Person, Virtual, or Hybrid

Chair Cooper asked the group if the RHC should go back to in-person meetings, or stay virtual? Several jurisdiction's Chambers are wired for hybrid meetings so that is an option as well. Discussion follows regarding the options, telecommuting benefits, current masking and Covid situation, vaccination rates. Consensus to stay remote for the next several months and during that time figure out how and where hybrid would work. Start with Lacey and County options as first choice for hybrid. Also, the RHC would

like to have the retreat be in-person, will need a large space, and good microphones. County building on Tilley Rd has sound and recording system.

Agenda Item 9: Good of the Order

Ramiro gave information on the pilot project LEAD (Law Enforcement Assisted Diversion) started forming a Community Advisory Board. Housing is one group that they want to include, and the RHC was mentioned, if there is anyone from the RHC that would like to participate on the Community Advisory Board. Meeting frequency is once a month for an hour, the 3rd Wednesday or the 4th. Contact Ramiro if you are interested.

Councilmember Cox has been approached to entertain a motion to urge Commissioners to move forward with a County Home Fund. The Commissioners would need to act by October 15th to start collections January 1. Ramiro adds that this will be discussed on August 13th, the Board will need to know all the different funding sources, and the Home Fund will be part of the discussion. October 15th may be too rushed for the Commissioners. The Lacey Mayor wants to ensure that large amounts of funding are going into PSH, there is no official City position on the Home Fund, and Lacey is looking to schedule a work session to discuss all the funds and options as well. Tumwater recognizes that resources are insufficient. Discussion follows regarding RHC making recommendations to BoCC with/without consensus from jurisdiction Councils. Discussion follows regarding what would be included in a motion to the BoCC. Chair Cooper adds that Olympia would likely be open to collaborating their Home Fund with any other Home Fund.

Councilmember Cox offers a motion: RHC recommends to BoCC to pursue every funding opportunity at its disposal up to and including a County-wide Home Fund in order to support permanent supportive housing and other housing needs. Second by Councilmember Althausser. Motion carries 3-0, Vice Chair Mejia abstained.

Can RHC members attend the planning session with BoCC on August 13th? The RHC can watch the live stream.

Councilmember Madrone adds information on the Transfer Development Rights Summit, September 17th 9am – 12pm. More information to follow via email.

Agenda Item 10: Upcoming Meetings

Meeting Adjourned: 5:25 pm

Next Meeting: August 25th, 2021, 4:00 pm



August 10, 2021

Chair Jim Cooper
Regional Housing Council
Thurston County Commissioners
2000 Lakeridge Drive SW
Olympia, WA 98502-1045

Re: Recommendation to Add Funds to Martin Way Phase 2 Funding Gap

Chair Cooper:

The Low Income Housing Institute (LIHI) contacted the City of Olympia and Regional Housing Council staff to alert us that the Martin Way Phase 2 supportive housing project has a funding gap. If not filled, that gap may result in delaying construction of 63 new affordable housing units.

The Olympia Home Fund Advisory recommended unanimously on August 4th that the Regional Housing Council and jurisdictions, including Olympia, partner to close the funding gap so this project can remain competitive against affordable housing projects in other jurisdictions.

Martin Way Phase 2 has a gap of \$1.7 million because of a combination of COVID-19 cost impacts and other unanticipated changes. For example, changes to energy code added \$6,000 per unit and substantial inflation of materials costs like lumber added \$750,000. LIHI has value engineered costs and sought other funding options, including loans. Those actions still require additional local fund commitment. Even if Regional Housing Council and other jurisdictions fully fund that gap, we will only invest \$4.2 million to leverage \$16.8 million in state Trust Fund and federal Tax Credit support.

If built, these apartments will add 63 more new units of desperately needed supportive and affordable housing for single adults and couples at Unity Commons at 2828 Martin Way. At least 39 of those units will be reserved for homeless individuals. The project is designed to integrate with Interfaith Works programs next door at the 65-unit Phase 1 apartments and the Interfaith Works Shelter (scheduled to be completed next winter).

Thank you for your ongoing commitment to affordable housing in our region.

Sincerely,

Lisa Vatske, Chair
Olympia Home Fund Advisory Board

CC: Thomas Webster, Thurston County Public Health & Social Services
Cary Retlin, City of Olympia



August 9, 2021

Tom Webster
Program Manager
Office of Housing and Homeless Prevention
Thurston County Public Health & Social Services
412 Lilly Rd. NE
Olympia, WA 98506

Re: Martin Way Phase 2 – Funding Request

Dear Tom,

Thank you and Thurston County so much for awarding the Low Income Housing Institute (LIHI) a 2021 Thurston County funding award for LIHI's Martin Way Phase 2 project. We are so excited to be completing the construction of Martin Way Phase 1 this year and hopefully starting the construction of Martin Way Phase 2 in 2022. Thurston County's support for LIHI's Martin Way project is transforming an underutilized lot in the City of Olympia into 129 units of permanent supportive housing, a 60-bed enhanced shelter facility and offices for Interfaith Works, as well as various spaces for supportive services and community events.

Unfortunately, the Martin Way Phase 2 project currently has a funding gap of \$1,741,380 because of a combination of COVID-19 pandemic cost impacts, the application of a new energy code, and inflation, among other factors. Below for reference is a brief outline of the total development cost differences between Phase 2 and Phase 1:

- **COVID-19 Pandemic Hard Construction Cost Impacts:** Mainly because of recent COVID-19-related materials and labor cost increases, especially the dramatic recent increase in the price of lumber, the hard construction cost for Phase 2 is estimated to be \$53 per SF higher than for Phase 1.
- **New Energy Code:** Phase 2 will be built per the 2018 Energy Code, which, among other cost impacts, requires costs of \$5,000-\$6,000 per unit for energy recovery ventilators compared to costs of \$1,000-\$2,000 per unit for whole house fans and trickle vents that were used per the 2015 Energy Code at Phase 1.
- **Inflation:** Inflation has risen dramatically in comparison to recent years, and just a 3% increase in cost between the two phases causes a more than \$750,000 cost increase.
- **Building Size:** Phase 2 is larger building – Phase 1 has a larger footprint & Level 1 area (12,200 SF vs 10,600 SF), but Phase 2 is larger footprint on the upper floors (10,000 SF vs 8,900 SF).

LIHI has taken a number of actions to limit these cost increases, obtain other funding, and keep Martin Way Phase 2 feasible. First, LIHI, along with its design and construction team, is value engineering the development's design as much as possible without sacrificing building quality. Secondly, LIHI has requested additional funds from both the Federal Home Loan Bank of Des Moines (a \$750,000 funding request is pending) and the City of Olympia. LIHI has also cut its developer fee to 8% of the total development cost, which is 2% lower than the minimum 10% developer fee standard of the Washington State Housing Finance Commission.

Because of this \$1,741,380 funding gap, LIHI is requesting additional support from Thurston County, if any funding is available. Additional Thurston County and City of Olympia support will be critical to the project's competitiveness to leverage additional funds from the State of Washington Housing Trust Fund in September, Washington State Housing Finance Commission in November, and the Federal Home Loan Bank of Des

Moines. Overall, Martin Way Phase 2 would leverage the Thurston County's funding award into more than \$20,223,616 of outside tax credit and other public funding.

Thank you very much for considering our funding request. Please call me at (206) 571-5730 if you have any questions. We really appreciate our ongoing partnership, and we are very excited to continue building affordable housing in Thurston County.

Sincerely,

Sharon Lee

Sharon Lee
Executive Director

Title

2828 Martin Way Phase II Presentation and Request

Committee Recommendation and Motion:

The Regional Housing Council's Funding Workgroup discussed this request at their August 9 meeting. The Committee recommended that the Regional Housing Council identify funds to address the funding gap with pooled Supportive and Affordable Housing Funds (1406) and invite LIHI to answer questions about the project at the August RHC meeting.

Motion:

Move to approve that staff draft a conditional award letter addressing the funding gap for 2828 Martin Way Phase 2. Funds should include pooled Supportive and Affordable Housing Funds (1406). The RHC also recommends that Olympia, Lacey, and Tumwater each contribute 1406, ARPA, or other funds to help address this gap and ensure a highly competitive regional project. The conditional award letter must stipulate that these funds will be drawn after Olympia Home Fund, State Housing Trust Fund, other Thurston County and Tax Credit funds are exhausted.

Staff Recommendation:

Approve the committee recommendation

Staff Contact:

Cary Retlin, Olympia Home Fund Manager, 360.259.8066

Background and Analysis:

2828 Martin Way Phase Two, now known as Unity Commons Phase Two, would add 63 more affordable housing units at the 2828 Martin Way complex where 60 shelter beds and 65 units of affordable housing are currently under construction and on track to lease up next winter.

If granted, this additional request for local commitment in funds will help LIHI be more competitive when applying for \$16.8 million in state Housing Trust Fund and federal Tax Credits. In part by reducing the amount of conventional loans LIHI will have to secure to fund construction of this affordable housing and increasing local commitment compared to total construction cost.

This funding gap occurred because of a number of cost increases that were not part of funding applications to the City of Olympia and Thurston County in applications received earlier this year. According to LIHI the new costs are caused in part because of increased building materials costs and changes resulting from new energy requirements. LIHI will be available to discuss those changes in detail at the RHC meeting.

The RHC has not committed 2021 1406 funds to a regional project yet. Committing those funds to this effort will increase the likelihood that this project would be

competitive at the state level.

Staff also recommends that Olympia, Lacey, and Tumwater each contribute 1406, ARPA, or other funds to help address this gap and ensure a highly competitive regional project. The conditional award letter must stipulate that these funds will be drawn after Olympia Home Fund, State Housing Trust Fund, other Thurston County and Tax Credit funds are exhausted.

Options:

1. Approve the proposed recommendation and forward it to the Thurston County Commission.
2. Direct staff to take other action.
3. Do not approve the recommendation.

Financial Impact:

The proposed recommendation would result in commitment of up to \$1.7 million in city and regionally pooled Affordable and Supportive Housing (1406) and other funds eligible to grant for affordable housing construction.

Thurston County estimates the region will collect approximately \$1 million in 2021 pooled 1406 funds.

Attachments:

LIHI Letter

LIHI Budget

Home Fund Advisory Letter

HEALTH & HUMAN SERVICES COUNCIL FINAL 2020-2021 REPORT SUMMARY

August 2021

OVERVIEW

1. Project Background, Description and Scope.

Thurston County and the cities of Lacey, Olympia and Tumwater contribute a portion of local sales tax revenue to provide one-year grants to private or public non-profit organizations and Tribes to fund programs meeting the basic needs of vulnerable and historically disadvantaged populations. The Health and Human Services Council (HHSC), comprised of elected officials from local jurisdictions, selected the grant awards, which were approved by the Thurston County Board of County Commissioners.

2. High-Level Requirements

For the HHSC, basic human needs include:

- **Food and Meals.** A range of efforts to assist vulnerable populations access food and nutrition.
- **Childcare.** Short-term childcare to allow a parent to attend appointments, job interviews, or other needed services.
- **Personal Hygiene.** Personal hygiene products provided to vulnerable or homeless populations.
- **Emergency Needs.** Generally, includes financial support for one-time emergencies that are not covered under another eligible category.

3. Funding Awards

These agencies received HHSC grant funding for the period of 1 July 2020 – 30 June 2021:

- Catholic Community Services (CCS) - **\$70,000**
- Community Youth Center (CYS) - **\$21,000**
- Rochester Organization of Families (ROOF) – **\$14,178**
- Senior Services for South Sound (SSSS) - **\$17,500**
- Thurston County Food Bank (TCFB) - **\$86,277** (Food Bank) & **\$19,777** (Other Bank)
- Together! - **\$21,000**

4. Community Impact

Examples of HHSC funds used to provide service to those living within Thurston County: ¹

- 198,874 meals served to homeless encampments, shelter residents, and homeless families. (CCS)
- 600 individuals served through the Emergency Needs program. Provided school supplies and backpacks to children in need. (ROOF)
- 89 families served in the form of rental assistance, utilities, mortgage payments, emergency assistance, and move-in support for those fleeing violence. (Together!)
- Distributed food to rural communities, mobile locations, and through the Pop-up Food Distribution program. Opened the newest facility, Lacey's Food Pantry, to expand the reach of the programs offered. (TCFB)
- 293 families requesting basic needs assistance were provided clothes, food, hygiene items, school supplies, and computers. (Together!)
- 25,637 meals to 226 unduplicated seniors. (SSSS)
- 69 young adults were provided support such as food, household/cleaning supplies, clothing, etc. (CYS)

5. Success Stories

These are some of the success stories from those participating in HHSC-funded programs:

- Funds from the Emergency Needs program were used to assist an emancipated teen with car repairs. This allowed the teen to keep their job and drive to school.
- A participant in the Meals on Wheels program received home delivered meals on a regular basis. The participant's daughter was grateful for the program because it not only provided hot meals, but also provided support and continued independence.
- The Home Delivery program provided monthly food deliveries to the doors of seniors and those in high risk health categories. Thanks to volunteer drivers, more than 500 seniors are currently receiving healthy food each month.
- For families receiving SNAP benefits, these benefits do not include the ability to purchase nonfood items. Laundry soap has become the number one requested item. Funding allows for larger full-size jugs to be made available to families in need.
- Drop-in Community Resource Center at Yelm Middle School served families in need of clothing, resource referrals, gas cards, food, rental assistance, and more.

¹ Taken from each agency's semi-annual report.