



Downtown Emergency Service Center

Ending homelessness one person at a time

www.desc.org

Administration

515 Third Avenue
Seattle, WA 98104
(206) 464-1570
Fax: 624-4196

Supportive Housing

515 Third Avenue
Seattle, WA 98104
(206) 464-1570
Fax: 624-4196

Clinical Services

216 James Street
Seattle, WA 98104
(206) 464-6454
Fax: 652-1236

Emergency Shelter

517 Third Avenue
Seattle, WA 98104
(206) 464-1570
Fax: 624-4196

Kerner-Scott House

510 Minor Avenue N.
Seattle, WA 98109
(206) 621-7027
Fax: 621-8529

The Lyon Building

607 Third Avenue
Seattle, WA 98104
(206) 341-9575
Fax: 749-9945

The Morrison

509 Third Avenue
Seattle, WA 98104
(206) 340-8206
Fax: 624-4196

The Union Hotel

204 Third Avenue S.
Seattle, WA 98104
(206) 587-2460
Fax: 587-6856

1811 Eastlake

1811 Eastlake Avenue
Seattle, WA 98101
(206) 957-0700
Fax: 621-2094

Something Old, Something New

200 Third Avenue S.
Seattle, WA 98104
(206) 748-9080

Board of Directors

Clark Kimerer, Chair
Ron Wright, Vice Chair
David Wertheimer, Secretary
Merlyn Bell, Treasurer
J. Thomas Byers
Laura Iyveen
Mark Sidran
Chris Spitters
Richard Stevenson

January 10, 2007

Mark Ellerbrook
Fort Lawton LRA
Seattle Office of Housing
Seattle Municipal Tower
700 5th Avenue, 57th Floor
P.O. Box 94725
Seattle, WA 98124-4725

Dear Mr. Ellerbrook:

On behalf of the Downtown Emergency Service Center (DESC), I am pleased to submit this Notice of Interest for Surplus Property at Fort Lawton to develop permanent supportive housing for chronically homeless individuals. This proposal is in alignment with the Federal Base Realignment and Closure Act as well as the City's desire to use this opportunity to further implement our community's Ten Year Plan to End Homelessness.

We are grateful for our 26 year partnership with the City of Seattle in providing our community's most profoundly disabled and impaired individuals with safety from the street and the opportunity for a more stable, independent life.

This Notice of Interest is submitted with the caveat that it is very difficult to estimate development costs so far into the future. These budgets contained in this Notice of Interest do not commit DESC to building the project at the proposed costs. I assume that, once the project is closer to development, DESC will apply via the OH NOFA, at which time we will have more refined cost estimates.

For questions on this initial proposal or at any point during the review process, please feel free to contact me or Jessica Cohen, Housing Developer, at 206-515-1522, or jcohen@desc.org. Thank you for considering this proposal.

Sincerely,

William G. Hobson
Executive Director

Enclosures



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Seattle, WA 98124-4725

Dear Mr. Ellerbrook:

This letter acknowledges the Downtown Emergency Service Center's (DESC) Notice of Interest for Surplus Property at Fort Lawton. This Notice of Interest does not commit DESC to building a project within the costs proposed nor to building at project at all.

DESC's Board of Directors plan to more fully discuss the opportunity at Fort Lawton at its February 2007 meeting and consider a resolution supporting the Notice of Interest submitted today.

Thank you.

Sincerely,

Clark Kimerer
Chair, Board of Directors

ORGANIZATIONAL PROFILE

1. Provide the legal name of institution or entity requesting use of buildings or property at Fort Lawton and the name, title, and telephone number of the key contact person.

Organization: Downtown Emergency Service Center (DESC)
Contact: William G. Hobson, Executive Director
Telephone: (206) 464-1570

2. Describe the organization, including brief history, major accomplishments and organizational goals.

In 1979, DESC was created through a collaborative effort by the City of Seattle, Washington Advocates for the Mentally Ill (now National Alliance for the Mentally Ill-Greater Seattle) and the Church Council of Seattle to provide emergency services to mentally ill men and women on the streets and being discharged from King County jails and psychiatric hospitals. Today, the agency is a major provider of survival and long-term stabilization services that go well beyond an emergency response. In fact, DESC is the only organization in Washington with a primary mission of serving homeless people that is licensed by the state as a mental health and chemical dependency treatment provider.

DESC's mission is to end the homelessness of vulnerable people, particularly those with serious mental and addictive illnesses. Through partnerships and an integrated array of comprehensive services, treatment and housing, we give people the opportunity to reach their highest potential.

This mission is guided by DESC's vision of a community in which no one is treated as a throwaway person, and where homeless people are not abandoned and ignored. We believe that the leading institutions of our society must cooperate to ensure people do not become homeless in the first place, and to quickly offer an effective helping hand to those who do become homeless. In order to achieve this goal, organizations that work with homeless people must use the knowledge and skills they have developed to help shape our community's policies and actions.

DESC reaches towards this vision by meeting our clients where they are and working collaboratively to provide housing first, linked to treatment and other services that meet their needs and human aspirations. Further, DESC works with the broader community, its leaders and institutions, contributing the experiences of our organization and the people we serve and applying those lessons to the community efforts to prevent and end homelessness.

With over 25 years of experience, DESC has developed a unique expertise in providing intensive services to chronically homeless people facing multiple obstacles and challenges in their lives. In 1999, the U.S. Department of Housing and Urban Development presented DESC with a “**Best Practice**” award in recognition of our comprehensive continuum of care. In 2003, the U.S. Department of Health and Human Service recognized DESC for its uniquely integrated model of treatment and housing with the prestigious “**Exemplary Program Award.**”

In 2004, DESC was awarded the **MetLife Award for Excellence in Affordable Housing** for its management and services provided at the Lyon Building. DESC’s Kerner-Scott House won the MetLife Award for Affordable Housing again in 2005, making the agency the first organization to win the award in consecutive years.

In 2005, DESC Executive Director Bill Hobson was named the “**Advocate of the Year**” by the Washington State Coalition for the Homeless, and in 2006, was named one of the “**26 Most Influential People**” by *Seattle Magazine*.

3. For applicant agencies with a board of directors or trustees, attach a board resolution endorsing this application.

The resolution will come before the Board of Directors for endorsement at the meeting scheduled for Tuesday, February 13th.

PROPOSED PROGRAM

1. Describe in detail the proposed use of the property(ies) or building(s). Include a description of the population to be served, services to be provided on-site, whether additional services will be provided off-site, key partners in development, operation and service provision.

The primary goals of DESC's Supportive Housing Program is to end homelessness and help residents maintain their housing. At the same time, we try to help residents stabilize both clinically and socially, and improve the quality of their lives. A DESC Ft. Lawton project will house 75 homeless men and women who are extremely low-income, chronically homeless, disabled by mental illness and may have a dual diagnosis of chemical dependency.

The project will feature a number of on-site services, including: 24-hour crisis management, mental health case management, information and referral, assistance in securing entitlement income and other financial resources, coordination of health care services, money management, and medication monitoring, along with recreational and social activities. For the severely disabled clients we serve, our ability to contain all the services under one organizational canopy is a significant

advantage.

By providing 24-hour on-site supervision and supportive services we are able to work with people to maintain their housing. The wraparound services offered in the building will help tenants stabilize and keep their housing, ending their tenures on the streets and in shelters, while at the same time, helping them stabilize both clinically and socially, and to improve the quality of their lives.

2. Describe the need for the proposed homeless assistance program.

There are several community indicators that estimate the number of chronically homeless in Seattle and King County. The 2005-2008 Seattle Consolidated Plan for Housing and Community Development refers to 4,900 adults meeting the federal definition of chronic homelessness in 2002. *A Roof Over Every Bed in King County: Our Community's Ten-Year Plan to End Homelessness* estimates over 5,000 homeless single adults in King County every night, nearly half of whom are chronically homeless. Over the course of the year, over 3,300 will spend a night in one of DESC's emergency shelters.

This population suffers from serious health consequences. A 2006 study by Public Health- Seattle & King County identified 94 individuals who died in 2005 while homeless. Suffering from multiple disabilities, the average age of death was 47 years old, over 30 years younger than the overall average age of death in the United States of 77.5 years. "These deaths openly reflect the suffering and challenges faced by individuals who have no safe, stable place to call home," said Dorothy Teeter, Interim Director and Health Officer for Public Health - Seattle & King County.

For chronically homeless adults, DESC is the front door to the most comprehensive array of services in the region. Men and women who are mentally ill or chemically-dependent, elderly, medically compromised, physically or developmentally disabled are prioritized for a comprehensive continuum of care designed to transition them into supportive permanent housing and address their needs to help them break the cycle of homelessness.

As you might expect, DESC clients are people who typical housing providers and even some low-income housing providers attempt to screen-out. DESC has taken this standard practice and reversed it, using these same factors to screen-in the most vulnerable and disabled tenants. Without the kind of housing and services that DESC provides, it is unlikely that these individuals would be able to succeed in permanent housing.

3. Describe how the program will be coordinated with other homeless assistance

programs in the communities in the vicinity of Fort Lawton and/or the community at-large.

Fort Lawton represents a unique opportunity for permanent, supportive housing development. DESC's on-site service model will help to address the isolative nature of the property from other already established social service locations. DESC staff will provide on-site case management, 24/7 staffing and help facilitate connection to transportation so that other services and community amenities can be accessed. In addition, DESC will make every effort to partner with other service and housing providers selected for the redevelopment of Fort Lawton.

4. Provide an assessment of the time required to commence carrying out the proposed program and a timeline for physical development and program implementation.

DESC estimates it will take three years from the conveyance of a development-ready property until occupancy. The first year will entail design and application to funding sources. Application for tax credits will continue through the first half of the second year and construction will commence shortly thereafter with a 14-16 month duration. Occupancy can be expected by the end of the third year of development.

5. If any significant aspect of the program, including development, operation, or service delivery, will be carried out by any entity other than the applicant, please identify each Notice of Interest for Homeless Assistance Programs at Fort Lawton key partner, describe its proposed role in the program, and provide the same information about each key partner as is requested about the applicant under "Organizational Capacity." For proposals with more than one partner, provide letters of support. Please attach a Memorandum of Understanding or letter describing the roles, responsibilities and services to be provided by each partner.

DESC has a long history of working collaboratively with other agencies and in the community. This tradition serves the larger community by helping to plan policy responses to homelessness and reducing duplication of services (and costs), while improving our own services and programs. We enjoy close relationships with major emergency service entities and have formal cooperative service agreements with over 100 agencies.

Specific to the development of supportive housing, DESC is uniquely qualified to develop, operate, provide services for and manage its supportive housing projects. Consistent with our previous developments, no significant aspects of the program will be carried out by any entity other than DESC.

6. Describe how the proposed program aligns with the goals of the King County Ten-Year Plan to End Homelessness and the City of Seattle Consolidated Plan for Housing and Community Development.

Since 2002, the U.S. Department of Housing and Urban Development (HUD) has emphasized ending chronic homelessness as one of their five major policy priorities. HUD defines chronically homeless individuals as single men or women with one or more disabilities and/or chemical dependency who have experienced prolonged or frequent instances of homelessness. Communities across the country, including Seattle/King County, have drafted “Ten Year Plans” to end homelessness.

Among several recommendations, *A Roof Over Every Bed in King County: Our Community's Ten-Year Plan to End Homelessness* calls for the creation or acquisition of 9,500 units of affordable housing by 2015 to effectively end homelessness. Of those units, 2,900 will need the intensive services located on-site that we are proposing at a DESC Ft. Lawton project.

BUILDINGS OR PROPERTY NECESSARY TO CARRY OUT PROGRAM

1. Describe which buildings or property are necessary to carry out the program and the other physical requirements necessary to carry out the program.

DESC requests 20,000 –25,000 square foot property zone appropriately for multi-family residential development. Construction of a 55,000-60,000 square foot building is anticipated.

2. Indicate whether existing buildings will be used and any new construction or rehabilitation anticipated on the requested property necessary for program implementation.

DESC anticipates building a new construction project.

3. Describe any land use and zoning requirements or entitlements that may be necessary to implement the proposed program.

The property is currently zoned single family and will need to be rezoned for multi-family residential use.

ORGANIZATIONAL CAPACITY

1. Describe the applicant's past performance and experience developing, operating and delivering programs and services similar to those proposed.

DESC has been developing and operating permanent supportive housing since 1994.

By closely coordinating its licensed clinical programs with its array of housing programs, DESC has been able to establish the capacity to successfully house hundreds of chronically homeless adults.

Our existing housing projects provide on-site supervision and supportive services to highly vulnerable homeless single adults with disabling conditions, primarily severe and persistent mental illnesses (82% of those housed in 2006) and chronic substance use disorders (60%), as well as those with chronic physical disabilities such as HIV or AIDS. Many of the residents of DESC housing are multiply disabled. In addition, all residents will meet the HUD McKinney definition of homelessness prior to moving in. Their incomes will be at or below 30% of the Area Median Income, HUD's official benchmark for poverty. HUD estimates that figure for a single Seattle adult to be \$16,350. In comparison, DESC residents earned an average of less than \$7,000 last year.

DESC has an established record of success in the provision of housing for the most dysfunctional subsets of the single adult homeless population in Seattle. We currently operate the following housing programs:

- **The Union Hotel** provides 52 permanent apartments for individuals whose lives have been disrupted by mental illness, chemical dependency, or both. Opened in 1994, The Union has a stable resident population, with a turnover rate of only 13% in 2006.
- **The Lyon Building** has 64 permanent units for people living with multiple disabilities, including HIV/AIDS, mental illness or chemical dependence, who have failed in conventional housing due to the complex needs and problems resulting from their disabilities. DESC manages and provides services at the Lyon Building for AIDS Housing of Washington.
- **Kerner-Scott House** offers 25 "Safe Haven" units for severely mentally ill adults who are not connected to services, and 15 "clean and sober" units for chemically-dependent adults in recovery.
- **The Morrison** has 190 apartments for disabled or vulnerable adults who have been unable to succeed in conventional housing. In 2005, DESC completed a \$27 million renovation of the building, which also includes our main emergency shelter, administrative offices and clinical spaces.
- **1811 Eastlake** provides 75 units of pre-recovery housing and connections to chemical dependency services for chronic homeless alcoholics.

- We manage 156 units in various private housing options throughout the city by way of our **scattered-site housing program**. The program provides on-site housing support services in Kent, Kenmore, Renton, Burien, Bellevue, Tukwilla, Federal Way, Seattle, Shoreline and Auburn.

2. Describe any organizational adjustments by the applicant that would be needed to meet an increased demand for development or human services from the proposed programs. Provide a detailed list of current and proposed projects, including project timelines.

In 1991 the DESC Board of Directors made the decision to develop permanent supportive housing for individuals with severe mental illness and/or chronic addictive illnesses. The decision was driven by the fact that the vast majority of existing providers were not willing or successful providing housing for our participants. Today, the DESC strategic plan emphasizes the importance of developing as much stable, supportive housing for our participants as possible. In response to the directives of the Board, we have three projects in various stages of development that collectively represent over 200 new units of housing.

Most immediately, a 75-unit project located at 415 10th Avenue is currently under construction and scheduled for completion by September 2007. In addition we are developing a 60-unit building at 5270 Rainier Avenue South that is slated for completion in fall 2008.

3. Provide audited financial statements for the applicant for the last two years and, if applicable, copies of federal income tax returns for the last two fiscal years. Provide lead organization's itemized balance sheet as of a recent date and a statement of revenues and expenses for the most recent full fiscal year and most recent interim period.

Copies of the 2005 and 2004 Audited Financial Statements are attached. Copies of the 2005 and 2004 990s are attached.

Form 4 Project Schedule

Instructions:

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- Project schedule must be consistent with Form 10A Estimate of Cash Flow During Development.

For each new task you enter in this column, also enter the appropriate category in the first column.

Category	Tasks	Date Completed/	Status
Site Control	Acquire	1/1/09	(e.g., Purchased property 2/15/05.)
Site Control	Option		
Feasibility Analysis/Due Diligence	Site survey	1/2/09	
Feasibility Analysis/Due Diligence	Market study	complete 1/2010	(e.g., Completed market study was provided on 2/29/05.)
Feasibility Analysis/Due Diligence	Phase I Environmental Assessment	1/2/09	
Feasibility Analysis/Due Diligence	Phase 2 Environmental Assessment	NA	
Feasibility Analysis/Due Diligence	SEPA/NEPA	NA	
Feasibility Analysis/Due Diligence	Capital needs assessment		
Feasibility Analysis/Due Diligence	Neighborhood notification (if required)	9/1/08	
Feasibility Analysis/Due Diligence	Relocation of existing tenants	NA	

**Form 4
Project Schedule**

Financing	Appraisal	NA			(e.g., Appraisal completed in February 2005)
Financing	Financial underwriting	NA			
Financing	Application for funding Office of Housing, City of Seattle		4/1/09		
Financing	Application for funding HTF, State of Washington		9/1/09		
Financing	Application for funding HFP, King County		9/1/09		
Financing	Construction cost estimate		4/1/09		
Financing	Lender selection	NA			
Financing	Funding for services		5/1/09		
Financing	Award date for funding source (OH):*		5/1/09		
Financing	Award date for funding source (HTF):		12/1/09		
Financing	Award date for funding source (HFP):		12/1/09		
Financing	Application for funding LIHTC		1/1/10		(e.g., Completed architectural drawings in February 2005.)
Design/Permitting	Preliminary drawings completed		3/1/09		
Design/Permitting	Zoning approval		2/1/09		
Design/Permitting	Site plan approval		5/1/10		
Design/Permitting	Building permits issued		5/1/10		
Construction	Selection of general contractor				(e.g., Completed general contractor selection process in February 2005.)
Construction	Begin construction		7/1/10		
Construction	Issued certificate of occupancy		10/1/11		
Occupancy	Selection of management entity	NA			(e.g., Completed management company selection process in February 2005.)
Occupancy	Selection of service providers	NA			
Occupancy	Begin lease-up		10/1/11		

Form 4

Project Schedule

Occupancy	Placed in service (90% Occupancy)	12/31/11

Form 8A Residential Development Budget

Instructions:

- Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

	Total Project Cost	Residential Total	HTF	City of Seattle	KC HOF	LIHTC Equity
Acquisition Costs:						
Purchase Price	\$0	\$0				
Liens	\$0	\$0				
Closing, Title & Recording Costs	\$0	\$0				
Extension payment	\$0	\$0				
Other _____	\$0	\$0				
SUBTOTAL	\$0	\$0	\$0	\$0	\$0	\$0
Construction:						
Basic Construction Contract	\$7,180,248	\$7,180,248	\$651,487	\$1,000,000	\$195,000	\$5,333,761
Bond Premium	\$35,828	\$35,828				\$35,828
Construction Contingency 10.0%	\$542,676	\$542,676				\$542,676
Sales Taxes 8.809%	\$516,308	\$516,308				\$516,308
Other Construction Costs: <u>FFF</u>	\$300,000	\$300,000				300000
Other Construction Costs: Soils Contingency	\$18,000	\$18,000	18000			
SUBTOTAL	\$8,593,060	\$8,593,060	\$669,487	\$1,000,000	\$195,000	\$6,728,573
Development:						
Appraisal	\$14,000	\$14,000		\$14,000		
Architect/Engineer	\$628,000	\$628,500	\$325,899	\$176,901		\$125,700
Environmental Assessment	\$25,000	\$25,000			\$25,000	
Geotechnical Study	\$6,000	\$6,000		\$6,000		
Boundary & Topographic Survey	\$10,000	\$10,000		\$10,000		
Legal	\$70,000	\$70,000	\$70,000			
Developer Fee	\$379,000	\$379,000		\$100,000	\$279,000	
Project Management	\$379,000	\$379,000				\$379,000
Syndication Legal	\$25,000	\$25,000				\$25,000
Other Consultants: Design Contingency	\$25,000	\$25,000				\$25,000
SUBTOTAL	\$1,561,000	\$1,561,500	\$395,899	\$306,901	\$304,000	\$554,700
Other Development:						
Real Estate Tax	\$0	\$0				
Insurance	\$10,000	\$10,000			\$10,000	
Relocation	\$0	\$0				
Bidding Costs	\$19,910	\$19,910		\$8,666	\$11,244	
Permits, Fees & Hookups	\$176,920	\$176,920			\$176,920	
Impact/Mitigation Fees	\$85,000	\$85,000			\$85,000	
Development Period Utilities	\$2,550	\$2,550	\$2,550			
Construction Loan Fees	\$0	\$0				
Construction Interest	\$0	\$0				
Other Loan Fees (Impact Capital, State HTF, etc.)	\$29,750	\$29,750	\$29,750			
LIHTC Fees	\$130,535	\$130,535	\$83,563		\$33,346	\$11,626
Accounting/Audit	\$32,660	\$32,660				\$32,660
Marketing/Leasing Expenses	\$15,000	\$15,000			\$7,500	\$7,500
Carrying Costs at Rent up	\$67,175	\$67,175				\$67,175
Operating Reserves	\$163,060	\$163,060			\$13,060	\$150,000
Replacement Reserves	\$536,670	\$536,670				\$536,670
SUBTOTAL	\$1,269,230	\$1,269,230	\$115,863	\$8,666	\$339,070	\$805,631
Total Development Cost:	\$11,423,290	\$11,423,790	\$1,181,249	\$1,315,567	\$838,070	\$8,088,904

Form 8B Non-Residential Development Budget

Instructions:

- Note: Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____
SUBTOTAL

Non-Residential Total	Non-Residential			
	Source	Source	Source	Source
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Construction:

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (____%)
Sales Taxes
Other Construction Costs: _____
Other Construction Costs: _____
SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants: _____
Other: _____
SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves
SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Total Non-Residential Cost:

\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----

**Form 8C
Residential Development Budget Narrative**

Instructions:
• For each cost item, explain the basis for the cost, when the estimate was made and identify who made the estimates

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____

Total Residential Cost	
\$0	
\$0	
\$0	
\$0	
\$0	

Construction

Basic Construction Contract
Bond Premium
Construction Contingency (%)
Sales Taxes
Other Construction Costs: FFE
Other Construction Costs: Soils Contingency

\$7,180,248	Walsh Construction Estimate-Commercial Prevailing Wage
\$35,828	% of Base construction
\$542,676	10% of Base Construction
\$516,308	8.8% of WSST
\$300,000	Based on similar project (DESC 1811)
\$18,000	small contingency for any unforeseen matters

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Design/Professional Contingency
Other: _____

\$14,000	Based on Program design including universal design
\$628,000	AIA Fee Schedule
\$25,000	PBS Environmental Phase I and Phase II
\$6,000	PBS Environmental
\$10,000	ABA Inc.-Actual plus \$3,000 for survey revisions at equity closing
\$70,000	Tax Credit legal and Real Estate Legal-Kantor and QSB
\$379,000	Based on the City of Seattle NOFA
\$379,000	Based on the City of Seattle NOFA
\$25,000	GEJ Law, Investor Equity-Final Fee
\$25,000	Based on similar project for design revisions (1811 Eastlake)

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves

\$0	
\$10,000	Based on previous Builder Risk policy (1811)
\$0	Based on approved relocation plan
\$19,910	Olympic Redographics
\$176,920	Based on known fee schedule and estimates from Utilities for 415 10th
\$85,000	City of Seattle DPD schedule
\$2,550	reasonable estimate
\$0	Saving construction loan fee by using equity for construction
\$0	Saving construction interest by using equity for construction
\$29,750	HTF 2% loan, Impact Capital loan fee
\$130,535	WSHFC Fee schedule
\$32,660	Blume Lovern CPA for 10% Carryover and Final Cost Cert and Audit
\$15,000	Contingency for unforeseen cost increases beyond standard and usual
\$87,175	Per Client projections based on similar project
\$163,060	Par Equity Investor
\$536,870	

Form 10A
Estimate of Cash Flow During Development

Project Name: _____

SOURCES AND AMOUNT OF REVENUE:

	Quarter 1 1/2009-6/09	Quarter 2 Sept 2009	Quarter 3 Dec 2009	Quarter 4 March 2010	Quarter 5 June 2010	Quarter 6 Sept 2010	Quarter 7 Dec 2010	Quarter 8 March 2011	Quarter 9 June 2011	Quarter 10 Sept 2011	Totals
Short-term Financing											
Private Construction											
DESC Interim	\$211,050	\$197,825	\$54,280	\$101,425	(\$564,580)						
Predevelopment Source	\$50,000	\$25,000			(\$75,000)						
SUBTOTAL	\$261,050	\$222,825	\$54,280	\$101,425	(\$639,580)	\$2,673,945	\$2,346,479	\$1,493,135	\$122,844	\$202,000	

Permanent Financing

City of Seattle		\$175,067			\$612,060					\$717,264	\$1,504,391
KC HOF					\$838,070						\$838,070
WA HITF					\$1,181,249						\$1,181,249
LIHTC					\$25,000					\$8,063,904	\$8,088,904
SUBTOTAL	\$0	\$175,067	\$0	\$0	\$2,656,379	\$0	\$0	\$0	\$0	\$8,781,168	\$11,612,614

Total Revenue By Quarter

	\$261,050	\$397,892	\$54,280	\$101,425	\$2,016,799	\$2,673,945	\$2,346,479	\$1,493,135	\$122,844	\$8,983,168	\$11,423,290
											<i>cross-check</i> \$11,423,290

EXPENSES:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Quarter 9	Quarter 10	Totals
Acquisition Costs											\$0
Construction Costs					\$1,583,984	\$2,466,600	\$2,239,054	\$1,429,050	\$122,844	\$751,528	\$8,593,060
Dev. Costs: Professional	\$261,050	\$397,892	\$30,000	\$41,425	\$380,425	\$31,425	\$31,425	\$31,425		\$356,000	\$1,561,000
Other Development Costs			\$24,280	\$60,000	\$52,390	\$175,920	\$76,000	\$32,660		\$847,980	\$1,269,230
Repayment of Pre-Dev Loan											\$0
Total Cost By Quarter											\$0
											\$11,423,290
											<i>cross-check</i> \$11,423,357

REMAINDER BY QUARTER:

(Revenue less Cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,929,170	(\$8,088,904)
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Notes on Potential Cash Flow Problems:

**Form 11A
Proposed Rent Levels**

Instructions:

- Use the current HUD Household Income Table to identify the percent of median household income for each unit size. The most current HUD table is located at <http://www.huduser.org/datasets/il.html>.
- In reading the HUD table, low income means 80% and very-low income means 50% of the area median income.

A	B	C	D	E	F	G	H
% of Median Income Served	Number of Units or Beds	Unit Size (Number of Bedrooms)	Tenant-Paid Monthly Rent	Tenant-Paid Utilities	Sum of Tenant-Paid Rent and Utilities (D + E)	PHA/HUD/USDA Contract Rent **	Annual Gross Rental Income ** [B x (D or G) x 12]
</= 30% AMI	26	Studio	\$170	\$0	\$170		\$53,040
</= 30% AMI	49	Studio	\$0	\$0	\$0	\$642	\$377,496
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
Totals	75						\$430,536

* Rent—if the project includes PHA/HUD/USDA subsidy, include the maximum contract rent in column G and leave columns D-F blank.

** Annual gross rental income must match Year 1 "Gross Rental Income" entered on Operating Pro Forma. Revenue other than rental income must be noted on Forms 12B and 13A and 13B.

Form 11A
Proposed Rent Levels



**Form 11B
Service Revenue and Expenses**

Instructions:

- Include services on Form 11B and the operating pro-forma.
- Indicate each source of service revenue and type of service expense, the corresponding term of commitment and the revenue/expense for years one, five and ten.

Support Services Revenue		
	(Term of Commitment)	YEAR 1
A Rent / Housing Operations Income Applied		
B Other Sources King County MHCADS	ongoing	\$ 109,800.00
C Other Sources (Name here)		
D Total Support Services Revenue		\$ 109,800.00

Support Services Expenses		YEAR 1
1 Total Personnel <i>(autofill from form 11C)</i>		\$ 109,800.00
2 Local Travel / Mileage		
3 Equipment		
4 Supplies		
5 Telecommunications		
6 Printing / Duplication		
7 Mail / Postage		
8 Subcontracted Services - Agency A <i>(autofill from form 11D)</i>		\$ -
9 Subcontracted Services - Agency B <i>(autofill from form 11D)</i>		\$ -
10 Cash Assistance to Families		
11 Other		
12 Other		
13 Other		
14 Other		
15 Other		
16 Subtotal Direct Expenses (Sum Line 1-15)		\$ 109,800.00
17 Project Administration <i>(up to 10% of Line 16)</i>		
18 Total Support Services Expenses		\$ 109,800.00

19 Net Gain / Loss <i>(this amount should be zero)</i>	\$ -
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Attachments

- Services funding commitment letters

FORM 11C
Services Personnel Detail
Salaries And Fringe Benefits

No.	Position Title A.	FTE C.	Annual Base Salary B.	Total In-House Support Services	
				% of Time Attributable to Project D.	Amount of Salary Attributable to Project E.
1	Case Managers	3.00	\$ 91,500	100%	\$ 91,500
2			\$ -	0%	\$ -
3			\$ -	0%	\$ -
4			\$ -	0%	\$ -
5			\$ -	0%	\$ -
6			\$ -	0%	\$ -
7			\$ -	0%	\$ -
8			\$ -	0%	\$ -
9			\$ -	0%	\$ -
10			\$ -	0%	\$ -
11	Subtotal Salaries		\$ 91,500	0.00	\$ 91,500
12	Fringe Benefits @ 20%		\$ 18,300		\$ 18,300
13	Total Personnel - FTE, Salaries & Fringe Benefits		\$ 109,800	0.00	\$ 109,800

Form 11D
Subcontracted Support Services Budget Detail

Please complete on budget for each agency with which you intend to subcontract for support services, both On- and Off-site.

Subcontracted Support Service Expenses - Agency A	
Service Agency Name:	
1 Total Personnel	
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ -

Subcontracted Support Service Expenses - Agency B	
Service Agency Name:	
1 Total Personnel	
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ -

Form 12A Operating ProForma

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
REVENUES							
<i>Residential Income (Use 2.5%/year inflation factor)</i>							
(From Rent Level Form) Gross Rental Income	\$424,296	\$434,903	\$445,776	\$456,920	\$468,343	\$480,052	\$492,053
<i>Other Revenue Sources and Operating Subsidies</i>							
McKinney SHP	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800
City O&M	\$42,283	\$43,340	\$44,424	\$45,534	\$46,673	\$47,839	\$49,035
Other Income/DESC Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$2,059
DESC Fee -HUD Admin Fee	\$0	\$1,356	\$3,189	\$5,107	\$7,117	\$9,222	\$9,370
Subtotal services and other revenue							
Total Residential Income	\$217,083	\$219,496	\$222,413	\$225,441	\$228,590	\$231,861	\$235,264
Total Non-Residential- King County MHCADS @ 1% inflation	\$641,379	\$654,399	\$668,189	\$682,362	\$696,933	\$711,913	\$727,318
Vacancy Factor	\$109,625	\$110,721	\$111,828	\$112,947	\$114,076	\$115,217	\$116,369
Less Residential Vacancy (at 5%)	\$21,215	\$21,745	\$22,289	\$22,846	\$23,417	\$24,003	\$24,603
Less Non-Residential Vacancy (at 10%)							
Effective Gross Income	\$729,789	\$743,376	\$757,728	\$772,462	\$787,592	\$803,128	\$819,084
EXPENSES							
<i>Operating Expenses- (Use 3.5%/year inflation factor)</i>							
Heat - GAS	\$22,500	\$23,288	\$24,103	\$24,946	\$25,819	\$26,723	\$27,658
Electric	\$22,500	\$23,288	\$24,103	\$24,946	\$25,819	\$26,723	\$27,658
Water & Sewer	\$22,500	\$23,288	\$24,103	\$24,946	\$25,819	\$26,723	\$27,658
Garbage Removal	\$7,200	\$7,452	\$7,713	\$7,983	\$8,262	\$8,551	\$8,851
Contract Repairs/Maint. (Elevator, F&LS Monit., HVAC, Pest, C	\$13,880	\$14,366	\$14,869	\$15,389	\$15,928	\$16,485	\$17,062
Maintenance and janitorial	\$62,763	\$64,960	\$67,233	\$69,586	\$72,022	\$74,543	\$77,152
Food	\$52,560	\$54,400	\$56,304	\$58,274	\$60,314	\$62,425	\$64,610
Replacement Reserve	\$22,500	\$22,950	\$23,409	\$23,877	\$24,355	\$24,842	\$25,339
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management - Off-site - Project Supervisory	\$27,532	\$27,807	\$28,085	\$28,366	\$28,650	\$28,936	\$29,226
Management - On-site - Project Manager	\$42,000	\$42,420	\$42,844	\$43,273	\$43,705	\$44,142	\$44,584
Building Personnel	\$269,208	\$271,900	\$274,619	\$277,365	\$280,139	\$282,940	\$285,770
Insurance	\$20,625	\$21,347	\$22,094	\$22,867	\$23,668	\$24,496	\$25,353
Accounting	\$15,000	\$15,525	\$16,068	\$16,631	\$17,213	\$17,815	\$18,439
Case Managers- paid by King County MHCADS	\$109,625	\$110,721	\$111,828	\$112,947	\$114,076	\$115,217	\$116,369
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (Office supp., Legal, Furnishings,	\$19,000	\$19,665	\$20,353	\$21,066	\$21,803	\$22,566	\$23,356
Total Expenses	\$729,393	\$743,375	\$757,728	\$772,463	\$787,592	\$803,128	\$819,084
Net Operating Income (Income - Total Expenses)	\$396	\$0	\$0	\$0	\$0	\$0	\$0

Form 12A Operating ProForma

Debt Service on	Loan Amount	Rate (%)	Amortization
Lender			
Lender			
Lender			

Total Debt Service
Projected Gross Cash Flow
Debt Coverage Ratio (DCR)

- =

	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$396	\$0	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
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Form 12A Operating ProForma

REVENUES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<i>Residential Income - (Use 2.5%/year inflation factor)</i>								
(From Rent Level Form) <i>Gross Rental Income</i>	\$504,355	\$516,963	\$529,888	\$543,135	\$556,713	\$570,631	\$584,897	\$599,519
Other Revenue Sources and Operating Subsidies								
McKinney SHP	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800
City O&M	\$50,261	\$51,518	\$52,806	\$54,126	\$55,479	\$56,866	\$58,288	\$59,745
Other Income/DESC Contribution	\$3,740	\$7,313	\$11,060	\$14,991	\$19,113	\$23,437	\$27,972	\$32,728
DESC Fee - HUD Admin Fee	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370
Subtotal services and other revenue	\$238,171	\$243,001	\$248,036	\$253,287	\$258,762	\$264,473	\$270,430	\$276,643
Total Residential Income	\$742,526	\$759,964	\$777,923	\$796,422	\$815,475	\$835,104	\$855,326	\$876,162
Total Non-Residential- King County MHCADS @ 1% inflation	\$117,533	\$118,708	\$119,895	\$121,094	\$122,305	\$123,528	\$124,763	\$126,011
Vacancy Factor								
Less Residential Vacancy (at 3%)	\$25,218	\$25,848	\$26,494	\$27,157	\$27,836	\$28,532	\$29,245	\$29,976
Less Non-Residential Vacancy (at 10%)								
Effective Gross Income	\$834,841	\$852,824	\$871,324	\$890,359	\$909,945	\$930,101	\$950,845	\$972,197

EXPENSES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Expenses - (Use 3.5%/year inflation factor)								
Heat- GAS	\$28,626	\$29,628	\$30,665	\$31,738	\$32,849	\$33,999	\$35,189	\$36,421
Electric	\$28,626	\$29,628	\$30,665	\$31,738	\$32,849	\$33,999	\$35,189	\$36,421
Water & Sewer	\$28,626	\$29,628	\$30,665	\$31,738	\$32,849	\$33,999	\$35,189	\$36,421
Garbage Removal	\$9,160	\$9,481	\$9,813	\$10,156	\$10,512	\$10,880	\$11,260	\$11,655
Contract Repairs/Maint. (Elevator, F & LS Monil., HVAC, Pest, Maintenance and janitorial	\$17,659	\$18,277	\$18,917	\$19,579	\$20,264	\$20,974	\$21,708	\$22,467
Food	\$79,852	\$82,647	\$85,540	\$88,533	\$91,632	\$94,839	\$98,159	\$101,594
Replacement Reserve	\$66,871	\$69,211	\$71,634	\$74,141	\$76,736	\$79,422	\$82,202	\$85,079
Operating Reserve	\$26,226	\$27,143	\$28,093	\$29,077	\$30,094	\$31,148	\$32,238	\$33,366
Management - Off-site - Project Supervisory	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management - On-site - Project Manager	\$30,249	\$31,307	\$32,403	\$33,537	\$34,711	\$35,926	\$37,183	\$38,485
Building Personnel	\$46,144	\$46,606	\$47,072	\$47,542	\$48,018	\$48,498	\$48,983	\$49,473
Insurance	\$285,770	\$288,627	\$291,514	\$294,429	\$297,373	\$300,347	\$303,350	\$306,384
Accounting	\$26,241	\$27,159	\$28,110	\$29,094	\$30,112	\$31,166	\$32,257	\$33,386
Case Managers- paid by King County MHCADS	\$19,084	\$19,752	\$20,443	\$21,159	\$21,900	\$22,666	\$23,459	\$24,280
Real Estate Taxes	\$117,533	\$118,708	\$119,895	\$121,094	\$122,305	\$123,528	\$124,763	\$126,011
Other (Office supp., Legal, Furnishings, Telephone, Misc., Resident Activities)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$24,173	\$25,019	\$25,895	\$26,801	\$27,739	\$28,710	\$29,715	\$30,755

Form 12A Operating ProForma

Total Expenses

\$834,841	\$852,824	\$871,324	\$890,359	\$909,945	\$930,100	\$950,844	\$972,197
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Net Operating Income (Income - Total Expenses)

\$0	\$0	(\$0)	\$0	(\$0)	\$0	\$0	\$0
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Debt Service on	Loan Amount	Rate (%)	Amortization (years)
Lender			
Lender			
Lender			

Total Debt Service
Projected Gross Cash Flow
Debt Coverage Ratio (DCR)

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	(\$0)	\$0	(\$0)	\$0	\$0	\$0
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Form 12B Operating Budget Details

Operating Subsidies

Instructions:

- Note the source, amount, and status of any non-rental income (i.e., laundry, parking) and operating subsidies (i.e., program fees or operating and maintenance subsidies). This information is also summarized on Form 12A.
- Do not include service revenue on this page.

Source	Proposed	Conditional/ Committed	Total
HUD SHP McKinney			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
Total Operating Subsidies	\$0	\$0	\$0

Vacancy Rates and Inflation Factors

If vacancy rates and/or inflation factors do not match HTF guidelines, provide an explanation for any discrepancies.

Operating Expenses

Instructions:

- Indicate whether estimates are based upon current operations. If not, what is the basis for the estimate?

Heat	Based on 100% of budgeted costs for 415 10th Avenue building
Electric	Based on 100% of budgeted costs for 415 10th Avenue building
Water & Sewer	Based on 100% of budgeted costs for 415 10th Avenue building
Garbage Removal	Contract Price
Contract Repairs	Based on 100% of budgeted costs for 415 10th Avenue building
Maintenance and Janitorial (pest control, fire safety, painting and decorating, etc.)	Based on 100% of budgeted costs for 415 10th Avenue building
Replacement Reserve	\$300 per unit per year
Operating Reserve	Capitalized and based on likely investor requirement
Off-Site Management	Actual cost for supervisory oversight
On-Site Management	Salary for 24 hour onsite coverage
Insurance	Quote from agent
Accounting	Based on 100% of budgeted costs for 415 10th Avenue building
Marketing	
Real Estate Taxes	Exempl - HTF award

Form 12B
Operating Budget Details

Other (Include Identification of Items and cost estimates for each)	Supplies - \$2,000; Phone - \$5,000; Advertising - \$1,500, Misc. Expense - \$2,000, Computer Equip. \$1,200; Training \$1,600; Residential Activities \$5,700
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