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Nod to History Breathes New Life into the ID

Prior to WWII, Seattle Nihonmachi (meaning Japantown) was the center of Japanese immigrant life in Seattle, stretching from Fourth Avenue South to Eighteenth Avenue, with Main Street serving as the community center, bustling with thriving businesses, restaurants, theaters and community halls. However, the forced relocation



Nihonmachi Terrace on the corner of 6th and Main in the ID. Home to 50 families and the ICDA staff in their new, onsite office.

of the Japanese community and the construction of the I-5 freeway led to the deterioration of many of the area's buildings. Inter*Im Community Development Association's newly opened project, Nihonmachi Terrace, pays homage to Japantown and its significance to the International District and to the city of Seattle.

The historic center of Seattle's Nihonmachi is now home to Nihonmachi Terrace. Nihonmachi Terrace is not only notable for its link to the International District's history, but also for the uniqueness of the project design, the challenging development process, and the special components of the final product.

Nihonmachi Terrace is structured to serve a diverse residential population in the ID. The development is serving large families, disabled households, and providing transitional housing for homeless families from the community, with supportive transitional services by ID service providers. The unit mix includes: 10 studios, 6 one bedrooms, 19 two bedrooms, 10 three bedrooms and 5 four bedrooms. All of the 2, 3 and 4 bedroom units are two-story townhomes.

Continued on page 2

\$1 Billion Housing Trust Fund?

Seeking Long-Term Solutions to the Housing Crisis: Right-Sizing the Trust Fund

Over the past two years the Washington State Housing Trust Fund has grown from \$80 million to \$121 million. That achievement, in particular the crossing of the \$100 million mark, represents the culmination of more than a decade of advocacy, lobbying, research and public education by the housing community and its allies. And yet the number of Trust Fund units produced has stagnated because costs of development and operation have increased at a faster rate. Thus, even after the success of the last two years, the question remains—how big does the Housing Trust Fund need to be, and what will it take to achieve that goal?

In recent weeks, the Washington Low Income Housing Alliance has begun to wrestle with this question. As the Alliance forms workgroups and begins to build its state legislative agenda for the 2007 session, it will focus much of its effort on creating a new unifying goal, much like the old "\$100 million for the Housing Trust Fund." HDC members and staff will play an integral role in shaping that dialogue and answering the questions posed.

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HDC Board Meetings

•Wednesday, June 7
Board Retreat
8 am–2 pm

•Wednesday, July 5
9:00 am - 11 am
AHW, 2014 E. Madison

HDC Monthly Meetings

•Friday, May 19, 2006
Noon - 1:30 pm
28th Floor Board Room
WSHFC, 1000 2nd Avenue
Topic: Homelessness

•Friday, June 16, 2006
Noon - 1:30 pm
28th Floor Board Room
WSHFC, 1000 2nd Avenue
Speaker: Bob Drewell,
PSRC Executive Director
Topic: Prosperity Partnership

•Friday, July 14, 2006
Noon - 1:30 pm
28th Floor Board Room
WSHFC, 1000 2nd Avenue

For more information, contact
Erin Hienstra at
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Poetry Corner

There once was a man from Kent
Who decided to live in a tent
He liked the outdoors
Cooking sausages and 'smores
And hey, he didn't have to pay
rent

--Scott Hughes, Age 12
Seattle Academy

Nihonmachi Terrace, continued from page 1

The design of the building was built around ICDA's desire to develop an in-city family housing project. The site is in an excellent location for families, across the street from the Danny Woo International District Community Garden and Kobe Park, with protected play areas incorporated into the design of the building. As a result, Pyatok Architects designed a building with an interior courtyard for protected play areas and to create an interior open space for residents to utilize. Another family friendly design, where the first 2 floors and the 3rd/4th floors are two-story townhome units, allowing upstairs bedrooms and main floor kitchen/dining/living areas. The 5th floor has smaller studios and 1 bedroom units, with an upper deck courtyard and some exterior balconies. All units are entered from exterior walkways on the interior of the courtyard.



The entertainment at the Nihonmachi Terrace Grand Opening on April 6 showcased both the project's connection to the ID's heritage and the project's innovative interior courtyard.

5th floor has smaller studios and 1 bedroom units, with an upper deck courtyard and some exterior balconies. All units are entered from exterior walkways on the interior of the courtyard.

However, these design innovations were not easily achieved. This project is ICDA's first new construction project in the ID. While securing sites to develop in the ID is generally a long and arduous process, Nihonmachi took over three years just to negotiate site control.

ICDA has been closely following the City's Livable South Downtown upzoning proposals, which includes the ID, Pioneer Square and the Duwamish area neighborhoods. With proposals to dramatically increase heights, Interlm is extremely concerned about the potential for gentrification and displacement of the many low income residents who live in mostly unregulated low income housing buildings, many still substandard SROs or in expired Section 8 elderly buildings. Nihonmachi Terrace was constructed to allow a maximum of five stories. However, the zoning would have allowed up to 120 feet, or around 12-13 stories. ICDA no longer had TDRs to sell to help finance the project, due to changes in the TDR program a few years ago.

ICDA expressed skepticism that the City's interest in increasing zoning heights and density would result in more affordable housing being generated. To build higher than ICDA did on Nihonmachi Terrace would require a more expensive concrete or steel structure. When coupled with the increase in property values resulting from increased zoning heights, properties will be even harder to acquire at prices that are workable for non-profit developers. Implementing an effective incentive zoning program, now more easily established with the success of HB2984, may help future projects.

Nihonmachi Terrace is an example of a seamless blend of historical significance and community interest with innovative design and development strategies that successfully contributed to the creation of more livable communities in Seattle.

Federal Budget on Hold in the House

Following the introduction of the President's Budget proposal in February, the U.S. Senate and House of Representatives have been debating Budget Resolutions, the blueprint each chamber uses to outline funding for federal departments and individual programs in the fiscal year beginning October 1. On March 13 the Senate passed its Budget Resolution, but the House must vote on its version in order for there to be agreement between the House and Senate on a budget for FY07. The budget resolution had been on the House floor in early April, but was pulled because there were not enough votes to ensure passage. Thus far, however, no progress has been made in gathering the necessary votes to pass the bill. There is still strong disagreement between appropriators and House conservatives over budget rules, and efforts to break this impasse have failed.

If Congress is unable to pass a resolution by May 15, appropriators will be free to begin working on their funding bills based on the President's maximum spending level of \$873 billion for discretionary spending and the proposal to cut HUD funding by 1.8% overall and to make drastic cuts in many key housing and community development programs.

Not having a Budget Resolution will make it extremely difficult for the Senate to try to move its appropriations bills individually as individual Senators will try to make changes to the funding levels for programs they care about. Without a Budget Resolution in place, each bill could be subject to a point of order, which then requires sixty votes to move the it forward. With the Senate being closely divided and this being an election year, each bill could produce a lengthy fight.

If the House and Senate are unable to pass all of their appropriations bills and reconcile the differences between the two chambers by

October 1, Congress would then have to pass a continuing resolution to allow federal programs to continue at current funding levels in the new fiscal year. At press time it remained unclear whether or not the House would succeed in passing a Budget Resolution and what priority funding for housing programs will have in both chambers.

Support for Housing in the Other Washington

Through the month of April HDC Program Coordinator, Erin Hiemstra worked with Senator Maria Cantwell's staff to secure support for federally funded housing programs. These efforts resulted in Senator Cantwell expressing her belief in the importance of housing programs in a letter of support sent to the Senate Appropriations Committee on April 21.

In her letter, the Senator emphasized that "without sufficient funding for...successful and widely supported [federal housing] programs, the most vulnerable members of our communities will be left standing out in the cold. "

The Senate Appropriations Committee, where senior Washington State Senator Patty Murray is the ranking democrat, will begin considering HUD funding for fiscal year 2007 in the coming weeks.

Right-Sizing the Trust Fund, continued from page 1

How do we figure this out?

Implicit in this question is the assumption that the Housing Trust Fund is the most important funding tool available. While locally-delivered funding (such as 2060 or 2163 money) can play a valuable role as a catalyst for local housing planning and development, the housing community remains firmly committed to the Housing Trust Fund as the premiere public funding response to the housing crisis. Its competitive application process, readiness requirements, and flexible guidelines suitable to a variety of projects across the state hold the loyalty of the housing community, though we remain open to new approaches.

One way to figure out how large the Housing Trust Fund should be, is to determine the resources necessary to end the housing crisis. In order to do that, we need to answer a few critical questions:

1. How many affordable units do we need to create?
2. What is the average cost per unit?

Having established those baselines, we can create an estimate of a "right-sized" Housing Trust Fund.

How many affordable units do we need to create?

Establishing the total number of units needed to meet the affordable housing crisis is a complex task. A conservative estimate by the Washington Low Income Housing Alliance of statewide housing need arrives at approximately 509,000 households. This number represents households below 80% of the median income and who pay more than 30% of their income for housing. However, this number is based solely on 2000 census data, and doesn't reflect projected in-migration and wage stagnation. It also does not reflect progress made by the housing community in the past six years.

In King County, HDC staff has determined that over the next 13 years (through 2020), **there is a shortfall of at least 130,000 housing units** across the continuum from homelessness to workforce housing. The size of the demand for affordable housing was calculated using the King County Consolidated Plan and estimates of the size of the affordable housing stock. There is a current need for some 100,000 units today (40,000 units at 30% and below, and 60,000 units for those earning between 30% and 80% of area median income). Then one must add projections for new families migrating to King County that could need affordable housing over the next 15 years. By 2020, King County will likely be home to over 55,000 (more) low income households. Then add a number to compensate for the loss of units through demolition and conversion. For example, last year King County lost more than 3,000 rental units to condo conversion, a trend which apartment analysts Dupré + Scott predict will continue. Lastly, reduce the need number by what the nonprofit housing community can create. At current rates, the nonprofit community will create approximately 25,000 units by 2020.

When all factors are taken into account, King County's shortfall will be somewhere around 130,000 units. **In order to meet need over 15 years, King County affordable housing developers will need to build roughly 8,700 units per year.**

How much will each unit cost?

Recent data produced by HDC staff, based on data provided by Seattle's Office of Housing and the Washington Low Income Housing Alliance indicates an average per unit development cost of roughly \$200,000. However, we do not expect

the Trust Fund to subsidize even the majority of a given unit. In fact, current Housing Trust Fund dollars provide approximately 15%, on average, of the development cost of a unit in King County. If we assume that costs will increase by an average of 5% per year per unit (a conservative estimate), and we assume that the Housing Trust Fund will continue to represent only 15% of the funding for any given unit, we can conclude that:

- By 2011 (5 years from now) the average unit will cost more than \$255,000 to build, of which the Trust Fund will need to supply more than \$38,000.
- By 2020 (14 years from now) the average unit will cost around \$395,000 to build of which the Trust Fund will need to supply more than \$59,000.

In order to establish the total size of the new Housing Trust Fund, we should be able to simply multiply its subsidy per unit, by the number of units needed per year, and then create totals for each biennium.

How big should the Housing Trust Fund be?

Assuming that the King County "cap" continues (no more than 40% of the Trust Fund can be spent in King County), then the cost to build the units necessary to meet the need in King County, should be 40% of the value of the Housing Trust Fund in any given biennium.

If HDC members attempt to build 8,700 new units a year (nearly four times the current level) in King County, the Housing Trust Fund would need to be approximately \$1.5 billion in the 2009-2011 biennium. This would put the housing community on pace to build the units necessary to meet need by 2020.

Clearly, the Housing Trust Fund is a critical part of the housing need puzzle. But it is not the only part. Other funding streams will need to be reevaluated if they are to keep pace with an aggressively growing Trust Fund.

At the same time, the question of a funding source becomes readily apparent. How can we ensure that the state has the resources necessary to support a Trust Fund that is growing at a rate as aggressive as we have laid out here?

In the end, more questions need to be asked, and the growth model that has been sketched out above needs to be further developed. But the most critical challenge remains: what will it take to build the political will necessary to prioritize housing funding commensurate to housing need? Both HDC and the Washington Low Income Housing Alliance will be working to answer those questions in the coming months.

If you would like to learn more or to be a part of the conversation around the size of the Housing Trust Fund, contact ben@housingconsortium.org. See Data Chart, P. 4

HOUSINGnews!

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Right-Sizing the Housing Trust Fund: A Preliminary Model

Year	Unit cost per year (KC @ 5%/year)	HTF responsibility/unit (15% of unit cost)	Units/year to meet need (130k/15)	HTF \$/year needed to meet KC need (HTF Responsibility X # of units)	Total Housing Trust Fund (per biennium)
2007	\$210,000	\$31,500	8,667	\$273,000,000	
2008	\$220,500	\$33,075	8,667	\$286,650,000	\$1,399,125,000
2009	\$231,525	\$34,728	8,667	\$300,982,500	
2010	\$243,101	\$36,465	8,667	\$316,031,625	\$1,542,535,312
2011	\$255,256	\$38,288	8,667	\$331,833,206	
2012	\$268,019	\$40,202	8,667	\$348,424,867	\$1,700,645,182
2013	\$281,420	\$42,213	8,667	\$365,846,110	
2014	\$295,491	\$44,323	8,667	\$384,138,415	\$1,874,961,313
2015	\$310,266	\$46,539	8,667	\$403,345,336	
2016	\$325,779	\$48,866	8,667	\$423,512,603	\$2,067,144,847
2017	\$342,068	\$51,310	8,667	\$444,688,233	
2018	\$359,171	\$53,875	8,667	\$466,922,645	\$2,279,027,194
2019	\$377,130	\$56,569.47	8,667	\$490,268,777	
2020	\$395,986	\$59,397.95	8,667	\$514,782,216	\$2,512,627,482

Employment Listings from Housing Organizations

See www.housingconsortium.org for more current listings.

Deadline for newsletter posting is 25th of the month.

All prior postings are erased unless the posting organization renews its posting.

Housing Developer, SouthEast Effective Development

SouthEast Effective Development is seeking an individual with considerable housing development experience to perform project management duties. The Housing Developer manages the full scope of residential development including new construction, acquisition and rehabilitation, and joint ventures with other developers, and commercial project if required. Experience in the affordable multifamily development is required. Bachelor's degree required in economics, business administration, planning or related field and a minimum of five years demonstrated experience in housing development with at least 3 years in affordable housing. Send resume, letter of interest and application by email: bfaircloth@seedseattle.org.

Executive Director, Housing Consortium of Everett and Snohomish County (HCESC)

The Housing Consortium of Everett and Snohomish County (HCESC) seeks an Executive Director to provide leadership for

the Consortium during the next phase of its development. This is a full-time exempt position stationed in Everett, Washington. The Executive Director position is a hands-on leader who will be a recognized voice for non-profit affordable housing developers and managers within the community, including among elected and appointed officials. Submit a cover letter identifying qualifications for this position along with your resume to housingconsortium@evha.org. Deadline May 19th.

Executive Director, YW Housing

The Executive Director will provide leadership for the Board, supervise human resource functions, oversee marketing, direct housing development, supervise asset management, direct operation management, manage maintenance and construction, and coordinate resource development. Combo of educational/professional experience in housing development. To apply send cover letter and resume via email to bh@tacs.org with subject line "YW Housing-ED Search." Deadline May 30th.

Employment Listings from Housing Organizations

Housing Manager, YWCA

The Housing Manager at Opportunity Place Apartments ensures that high quality permanent housing and supportive services are provided to formerly homeless and low-income residents, many of whom are disabled. This position provides day to day leadership for the YWCA Opportunity Place apartments and front desk. Responsibilities include staff supervision, program administration, implementation, monitoring and evaluation. Opportunity Place Apartments are subsidized through Project Based Section 8, and are subject to LIHTC regulations. For a full job description and application information, go to www.ywcaworks.org

Compliance Specialist, Housing Resources Group

Housing Resources Group (HRG), a leading Seattle non-profit, affordable housing organization, seeks an experienced Compliance Specialist to join our dedicated Compliance and Leasing Department. The HRG Leasing and Compliance Department oversees the occupancy and regulatory compliance of nearly 1600 units of affordable housing. The Compliance Specialist works in cooperation with the Leasing Associates, Residential Managers and the Compliance Manager in this aim. For a detailed description and information on how to apply, please visit: <http://www.hrg.org/htm/employment/current-jobs.htm>.

Housing Case Manager, Community Psychiatric Clinic

Opportunity to join innovative partnership between CPC and Seattle Housing Authority providing case management, treatment, skills training, milieu and facility oversight in CPC's housing program. BA in social services required. Visit www.cpcwa.org for more information

Executive Director, Parkview Services

Parkview seeks a strategic leader with an entrepreneurial spirit and a deep commitment to furthering the rights of people with

developmental disabilities, to serve as its next Executive Director. Primary responsibilities of the position include: fiscal oversight of the organization's financial assets, managing daily operations, leading a dedicated staff in effective program management, and developing innovative services to meet the needs of people with developmental disabilities. A Bachelor's or Master's in non-profit management, business administration, or a related field is required. The successful candidate will have a minimum of five years of progressively responsible executive-level leadership experience. Knowledge of real estate, mortgage financing, property management, low-income housing or residential services for people with developmental disabilities is strongly preferred. Send resume and cover letter as soon as possible, but no later than May 17, 2006 to: Waldron & Company: 206-441-4144, info@waldronhr.com.

Senior Housing Developer, Beacon Development Group

The Senior Housing Developer position is responsible for supporting all aspects of project development including assessment of community needs, identification and acquisition of appropriate sites, formulation of feasible housing proposals, including development and operating budgets and project schedules, assisting the sponsor in conducting community notification, preparation and review of funding applications, and coordination of internal members of the project development teams and external consultants. Minimum qualifications include 4 yrs experience in affordable housing development, a BA in finance, public administration, business, or related field, working knowledge of HUD, LIHTC, State/City housing requirements, experience working with various types of public and private financing. See a full job description at www.beacondevgroup.com. Send resume to: Beacon Development Group, 1221 East Pike St. #300, Seattle, WA 98122 or email barbarag@beacondevgroup.com

Workshop-Seminars-Conferences

MAY 10-12 YAKIMA, WA

Washington State Coalition for the Homeless Conference

Attend the 16th Annual Conference to learn new skills, examine best practices, and build innovative partnerships that will help us effectively implement plans to end homelessness in Washington State. For more information visit www.EndHomelessnessWA.org.

MAY 22-24 SACRAMENTO, CA

Housing California 2006 Annual Conference: Closer to Home

Closer to Home is America's largest conference on affordable homes. A dynamic, educational forum for housing developers and homeless service providers, bankers, and lenders, government officials and advocates, funders and consumers alike. For more information call (916) 447-0503.

JUNE 26-30 KANSAS CITY, MO

Neighborhood Works Training Institute

90 courses in nine facets of community development. For more info visit www.nw.org/training.

JUNE 7, 2006 WASHINGTON, DC

The National Housing Conference 75th Anniversary Gala

The premier gathering of business leaders, policy makers, practitioners and advocates working on affordable housing and community and economic development across the country. Join your colleagues to celebrate and rededicate ourselves to fulfilling the dream articulated in the landmark Housing Act of 1949.

SEPT 10-12 BELLEVUE, WA

Housing Washington 2006

13th Annual Affordable Housing Conference. Housing Washington is a leading conference presenting the best national and regional affordable housing experts. For more Information & updates visit www.wshfc.org/conf.

NOV. 1-3 CHICAGO, IL

AHF LIVE: 2006 Tax Credit Developers' Summit

This summit will help developers overcome obstacles and deliver more affordable housing as efficiently as possible. Sessions provide sophisticated analysis of strategic challenges facing the industry. To register and for more information visit www.ahflive.com or call (800) 989-7255.