



January 28, 2022

Darian Lightfoot, Home Fund Manager
City of Olympia
601 4th Avenue East
Olympia, WA 98507

Dear Darian Lightfoot,

The Family Support Center of the South Sound (FSCSS) submits this supplemental funding application for our permanent housing with supportive services project on Olympia's westside. We greatly appreciate the support that the City of Olympia has provided to the project, both financially and through the permitting process. As you know, this FSCSS project is anticipated to be the first phase of a two-phase development, located on 7th Avenue Southwest across the street from FSCSS's main campus.

The FSCSS Family Housing Phase I project will create new affordable homes for sixty-two (62) families with children and individuals, the majority of whom are unsheltered or have experienced domestic violence. Half of the units will serve households at or below 30% of Area Median Income (AMI) and the other half will serve households at or below 50% AMI. This application presents our estimate of construction costs, private investment resources, and the remaining gap that we are requesting from public sources including the City of Olympia, State of Washington Housing Trust Fund, and Thurston County Public Health and Social Services.

To date, the project has leveraged \$399,467 CDBG funding award from the City of Olympia to purchase the property; an additional \$1,400,000 from the City of Olympia's Home Fund, a \$422,585 commitment from Thurston County; a \$1,000,000 award from the Federal Home Loan Bank (FHLB); \$4,430,351 from the Washington State Housing Trust Fund; and an allocation of 9% LIHTC. In addition, FSCSS was awarded \$530,000 in bridge financing from the Washington State Housing Finance Commission (WSHFC); and predevelopment bridge financing from Impact Capital. Unfortunately, over the past year costs have significantly increased due to changes to the energy codes, increased costs for trade work, supply and demand issues as well as additional required infrastructure work required by the City of Olympia that were identified late in permitting. As such, this project is currently experiencing a significant budget gap and your help is needed to give us that last push to make it to the finish line.

To resolve the gap, the project team first reviewed all design elements and made cost savings adjustments where applicable reducing the budget by almost \$750,000. Subsequent measures included working with City of Olympia planning team to creatively identify strategies to reduce infrastructure costs while sustaining the integrity of both our development project and the needs and goals of the city as identified in the comprehensive plan. Family Support Center in collaboration with City of Olympia have a pending application to the Department of Commerce for \$2,500,000 in CHIP funds (Connecting Housing to Infrastructure Program) to assist in reducing the gap and is

consulting with Thurston County Public Health to determine the process for applying for the Countys ARPA funds to further reduce the gap. Communication is also happening with existing funders to identify if there is a potential of increasing existing award amounts.

FSCSS was not able to identify the full amount of the gap for this project prior to the deadline for this application. We are submitting this application now, before we can determine the exact gap, as we don't want to miss this opportunity to secure the final funding needed to continue forward with the project and start construction in the beginning half of 2022. **FSCSS is requesting that the City of Olympia support the development of these 62 homes for the neediest families in Olympia with an additional commitment of UP TO \$1,100,000 depending on the final identified gap and the amount of additional funding we are able to secure through other committed partners on this project.**

Thank you for your consideration of this ambitious endeavor. Please address questions to Kasey Liedtke, Housing Developer at Bellwether Housing, at 206-588-4803 or kliedtke@bellwetherhousing.org or you can contact me at (360)754-9297 x206 or TrishG@fscss.org.

Sincerely,



Trish Gregory
Executive Director
Family Support Center of the South Sound