



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 4<sup>th</sup> 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**