

Office of Housing
Multifamily NOFA - Spring 2003
Project Summary Report

Borrower/Development Consultant: Higher Ground Mental Health

Project Name: Higher Ground Mental Health Housing

Project Address: 3456 Danforth Street

OH Funds Requested:

Capital:	318,885	26,573.75	per city funded unit
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PROJECT DESCRIPTION

Higher Ground Mental Health Center is proposing to purchase and site three single-family modular homes to serve tenants with chronic mental illness. The homes will be located on an undeveloped section of property they own. The tenants will be former residents of Western State Hospital, and will receive service funding from the State and King County. The homes will each provide four bedrooms to serve a total of 12 residents. They will receive services from the Higher Ground Mental Health Clinic, located within a few hundred feet of the homes.

The site is currently undeveloped, and will require the construction of a long drive way to access it. The entrance to the three homes will be completely separate from the larger development, making it function like a small residential cul du sac. The project site is on a significant slope and is located downhill from the larger campus.

The buildings manufactured by Fleetwood Homes are said to be very airtight to reduce utility costs and will have R-19 rated walls, R-33 floors and R-38 ceilings. The window systems are upgraded for better energy conservation. Construction will consist of 2x6 exterior walls, 2x4 interior walls and 16 inch on center roof trusses. The siding will be 50 year vinyl and the roofing materials will be 30 year asphalt shingles. These materials and construction methods are similar to normal site-constructed stick-built single family homes, although the use of vinyl siding is not a sustainable choice. The exterior design is not very attractive as evidenced by the elevation drawings, which look very plain and are without design details.

The project will be financed with State, City and King County funding. The County funding is usually difficult to obtain in the City, but King County Mental Health division has made some capital available for projects that will serve patients coming from Western State Hospital and other institutional settings. There are no acquisition costs, and the City funds would be used for site work and purchase of the homes as well as capitalized project reserves. The State requires three months of operating costs to be capitalized in an operating reserve.

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HGMH intends to locate the three homes far from the other buildings on the campus, in an area that is heavily wooded and vegetated. Over 34% of the total development cost is to bring infill dirt and construct a new 225 foot street that would access the homes from Danforth and a drainage system to manage water run-off. These costs are preliminary. The site drops abruptly from Danforth and then slopes toward a wetland and eventually to Wadsworth Creek.

PROJECT OPERATIONS

Higher Ground Mental Health Center will manage the homes and will work to integrate the services with building oversight. The organization has a Housing and Residential Facilities department, which would manage maintenance and other functions. They have systems in place and operate numerous other single family properties in King County. HGMHC will manage tenant selection in conjunction with the King County Mental Health Division. They will target tenants who are likely to succeed in a residential environment away from the mental health institutions where they are now. HGMHC will screen all tenants for income eligibility.

PROJECT SERVICES

Residents will have 24 hour access to support services for the mentally ill. These services will be provided by the owner in their psychiatric clinic located on the same site. The services include: clinical and medication management, case management, counseling, vocational counseling and substance abuse counseling. They will also have access to crisis management services and other assistance to help them retain their housing and be successful in this housing model.

The letters from the County and the State mental health agencies indicate their support for the proposed project, but do not commit resources. We spoke to KCMH Assistant Division Director who said they plan to provide support for the project. The services at a level of \$36,000 per bed requires high level of on-going support from King County. The project would also rely on federal McKinney Shelter+Care funds which are not committed.

COMMUNITY NOTIFICATION:

The application indicates two community notification meetings were held. Each of them attracted numerous neighbors and organizations active in the area. The description of the meetings indicates the neighbors raised questions about the location of the project in relation to existing homes, the length of stay of the individuals in the homes, the nature of their special needs and the treatments available, vehicle accessibility, and plans for keeping neighbors notified of the progress of the project. At another meeting another person raised questions about the size of the project, the zoning, and status of permits. In both cases, the application states that the questions were thoroughly discussed and "addressed to the satisfaction of those in attendance."

RESIDENTIAL DEVELOPMENT BUDGET (Spring 2003)

Note: Add an extra page if more columns are needed. Do NOT combine funding sources in a column.									
				Total Project Cost	Residential Total	HTF	Seattle	KCHF	Source
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	\$0
Construction									
Basic Construction Contract			\$166,985	\$166,985	\$64,074	\$66,187	\$36,724		
Bond Premium			\$0	\$0					
Infrastructure Improvements			\$356,834	\$356,834	\$142,734	\$142,734	\$71,367		
Hazardous Abate. & Monitoring			\$0	\$0					
Construction Contingency (SEE BELOW)			\$56,827	\$56,827	\$22,731	\$22,731	\$11,365		
Sales Taxes			\$44,449	\$44,449	\$17,780	\$17,780	\$8,890		
Other Construction Costs: _____			\$0	\$0					
Other Construction Costs: _____			\$0	\$0					
SUBTOTAL			\$625,095	\$625,095	\$247,318	\$249,431	\$128,346		\$0
Development Costs: Professional									
Appraisal			\$0	\$0					
Architect/Engineer			\$46,851	\$46,851	\$37,851	\$9,000			
Environmental Assessment			\$2,500	\$2,500				\$2,500	
Geotechnical Study			\$3,600	\$3,600		\$3,600			
Boundary & Topographic Survey			\$7,000	\$7,000		\$7,000			
Legal			\$1,800	\$1,800		\$1,800			
Developer Fee			\$81,442	\$81,442	\$28,505	\$32,577	\$20,361		
Project Management			\$7,000	\$7,000		\$7,000			
Technical Assistance			\$0	\$0					
Other Consultants: _____			\$0	\$0					
Other: _____			\$0	\$0					
SUBTOTAL			\$150,193	\$150,193	\$66,356	\$60,977	\$22,861		\$0
Other Development Costs									
Real Estate Tax			\$0	\$0					\$0
Insurance			\$1,050	\$1,050					\$1,050
Relocation			\$0	\$0					
Bidding Costs			\$400	\$400					\$400
Permits, Fees & Hookups			\$3,600	\$3,600	\$3,600				
Impact/Mitigation Fees			\$0	\$0					
Development Period Utilities			\$0	\$0					
Construction Loan Fees			\$0	\$0			\$0		
Construction Interest			\$0	\$0					
Other Loan Fees (Impact Capital, State HTF, etc.)			\$8,478	\$8,478		\$8,478			
LIHTC Fees			\$0	\$0					
Accounting/Audit			\$0	\$0					
Marketing/Leasing Expenses			\$0	\$0					
Carrying Costs at Rent up			\$0	\$0					
Operating Reserves			\$6,786	\$6,786				\$6,786	
Replacement Reserves			\$1,612	\$1,612	\$1,612				
SUBTOTAL			\$21,926	\$21,926	\$5,212	\$8,478	\$8,236		\$0
Total Development Cost:				\$797,214	\$797,214	\$318,885	\$318,885	\$159,443	\$0
*Minimums: 10% for New Construction, 15% for Rehabilitation. Please explain variations.									

