

# Sno-Valley Senior Housing, Project Update, February 2023



# Project Status. Funds Secured!



1. Federal Home Loan Bank \$600,000
2. Washington State, \$4,308,731
  - Direct Allocation \$309,000
  - National Housing Trust Fund, \$1,406,016
  - State Housing Trust Fund, \$1,982,037
  - Connecting Housing to Infrastructure Program (CHIP), \$611,678

# Funds Secured Continued:



## 3. King County, \$1,079,629

- KC Housing Finance Program, \$799,396
- Community Development Block Grant \$280,233

## 4. Sno Valley Senior Center, \$1,334,357

- \$100,000 Initial Commitment
- \$272,000 Value of Land
- \$640,000 Anticipate Proceeds from Donated House
- \$322,357 Grassroots Capital Campaign (Go Lisa!)

## Funds Secured Continued:



5. Washington Community Reinvestment Association: \$800,000 loan at 4.75% annual interest, 30 year amortization, 10 year term

**TOTAL ALL SOURCES SECURED = \$8,122,717**

# Budget – Uses of Funds



Land + Recording Costs	\$282,000
Construction	\$6,254,116
Architecture & Engineering	\$502,299
Developer Fee	\$500,000
\$160,000 to Consultant, \$340,000 to SVSC	
Financing Fees	\$24,000
Reserves	\$70,000
Permits & Connection Fees	\$454,787
Miscellaneous	\$35,515

# Construction Cost Escalation



December 2022 Updated Cost Estimates Came in \$300,000 higher than the amount in the budget.

**YIKES!**



# Strategies to Manage Construction Costs

1. Buchanan Construction included 4% for inflation from December 2022 to Estimated Start of construction in May 2023, \$209,000
2. Reduce Construction Scope –
  - ‘Value Engineering’, which can be design modifications, scope deletion, or change in specifications. Team has already identified \$133K in potential savings.
  - Cabinet Donation



## Strategies to Manage Construction Costs.

cont.

3. Reduce Sno Valley Senior Center Developer Fee – currently \$340,000

4. Increase Loan Amount – currently \$800,000, operating budget can support \$850,000, and can potentially support more after new rents announced in April 2023.



# Schedule



Value Engineering, Cost Cutting	February '23
Building Permit Submittal	February '23
NEPA – Federal Environmental Review	Feb - May
Construction Bidding, Final Construction Price	April - May
Close on Financing	May 30, '23
Start of Construction	June 1, '23
Construction Complete	June 1, '24