

**From:** [Craig Chance](#)  
**To:** [Debbie Sullivan](#)  
**Cc:** [John Doan](#); [Tom Rawson](#)  
**Subject:** CDBG Award  
**Date:** Thursday, March 17, 2022 12:24:52 PM  
**Attachments:** [image001.png](#)

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Hello Mayor Sullivan,

In December 2021 the Housing Authority of Thurston County (HATC) closed on the purchase of land adjacent to HATC's 40-unit Sequoia Landing apartment community (7132-7142 Littlerock Rd SW) that HATC built in 2011-2012. The newly purchased land will facilitate the development of approximately 50 more units of affordable housing. In defining "affordable" for these purposes, HATC acquires and develops properties where rents do not exceed the HUD Housing Choice Voucher rental assistance program's "payment standard." With the exception of properties with extremely large development and operating subsidies (e.g. Unity Commons) HATC is not aware of any newly built or proposed new rental properties in Thurston County offering rents at this level. Rents at or below the "payment standard" open doors not only for voucher holders who are among our most vulnerable neighbors but also for a wide range of additional neighbors including retirees and workers with modest incomes.

You may recall that in 2021 HATC applied for Tumwater CDBG funds for the Sequoia expansion land purchase; CDBG rules do not allow a public housing authority to use the funds for new construction. HATC appreciated the approval of an award. Within days of the Council's approval, the property owner agreed to not only a sale, but also to attractive seller financing. Consequently, it made sense for HATC to accommodate the seller's desire for a prompt closing. Also because the community need is great, expediting the process has value. By moving forward, ensuring the acquisition, HATC recognized that the purchase would most likely eliminate the availability of CDBG funds for the Sequoia expansion.

HATC proposes that the award be shifted to rehabilitation work at HATC's 105-unit Falls Pointe apartment community (411 West Lee St).

At Falls Pointe HATC offers highly affordable apartments: 1 bedroom units at \$755 and 2 bedroom units at \$880. If not for these affordable rates, many if not most of the residents would be at a loss to find affordable, decent housing. It's not a stretch to conclude that many would be homeless without Falls Pointe.

Falls Pointe includes 12 residential buildings and 1 community building. Using internally generated funds HATC has replaced the roofing and improved ventilation for 8 of the residential buildings over a period of a few years. It's important but expensive work. Using CDBG Funds HATC could within a year do the following:

- Re-roof and enhance ventilation in the remaining 4 residential buildings in need of this work
- Re-roof the community building
- Replace, upgrade electrical service panels
- Install heat pump system in community building

A heat pump system in the community building would reduce heating season energy use and provide effective, efficient cooling during extreme hot weather events such we all experienced in June 2021. Falls Pointe is home to many seniors and people with adverse health conditions. The ability to use the community building as an efficient cooling station would be very helpful for the residents.

A CDBG grant for these purposes will free up an equivalent amount of internally generated funds that HATC can direct to the acquisition, development of additional affordable housing units.

HATC acquired Falls Pointe in 1994 when the property needed serious attention and was reportedly the number one law enforcement call address in all of Thurston County. HATC worked closely with City of Tumwater to change those dynamics so that today it provides safe, decent, affordable apartment homes. In the early days HATC provided space to the Tumwater Police Department for an on-site temporary substation. Within a few months the Police decided to close the station due to the dramatic decline in calls for their services there. HATC and City of Tumwater can both be pleased, proud of how Falls Pointe became an attractive, desirable place to live and a stabilizing influence for the general neighborhood.

HATC presently owns 553 rental housing units; 199 (36%) of them are in Tumwater. Within HATC's collaborative housing model, 42 Project Based Vouchers are attached to two Tumwater properties owned/operated by Behavioral Health Resources. City of Tumwater is an excellent partner.

Mayor Sullivan, if this proposal is of interest to you and the Council, Tom Rawson (HATC Director Development and Administration) and I are available to address questions. We enjoy working with Tumwater; John Doan and staff are always exceptional.

Thank you for your assistance and consideration.

*Craig*

**Craig Chance**

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