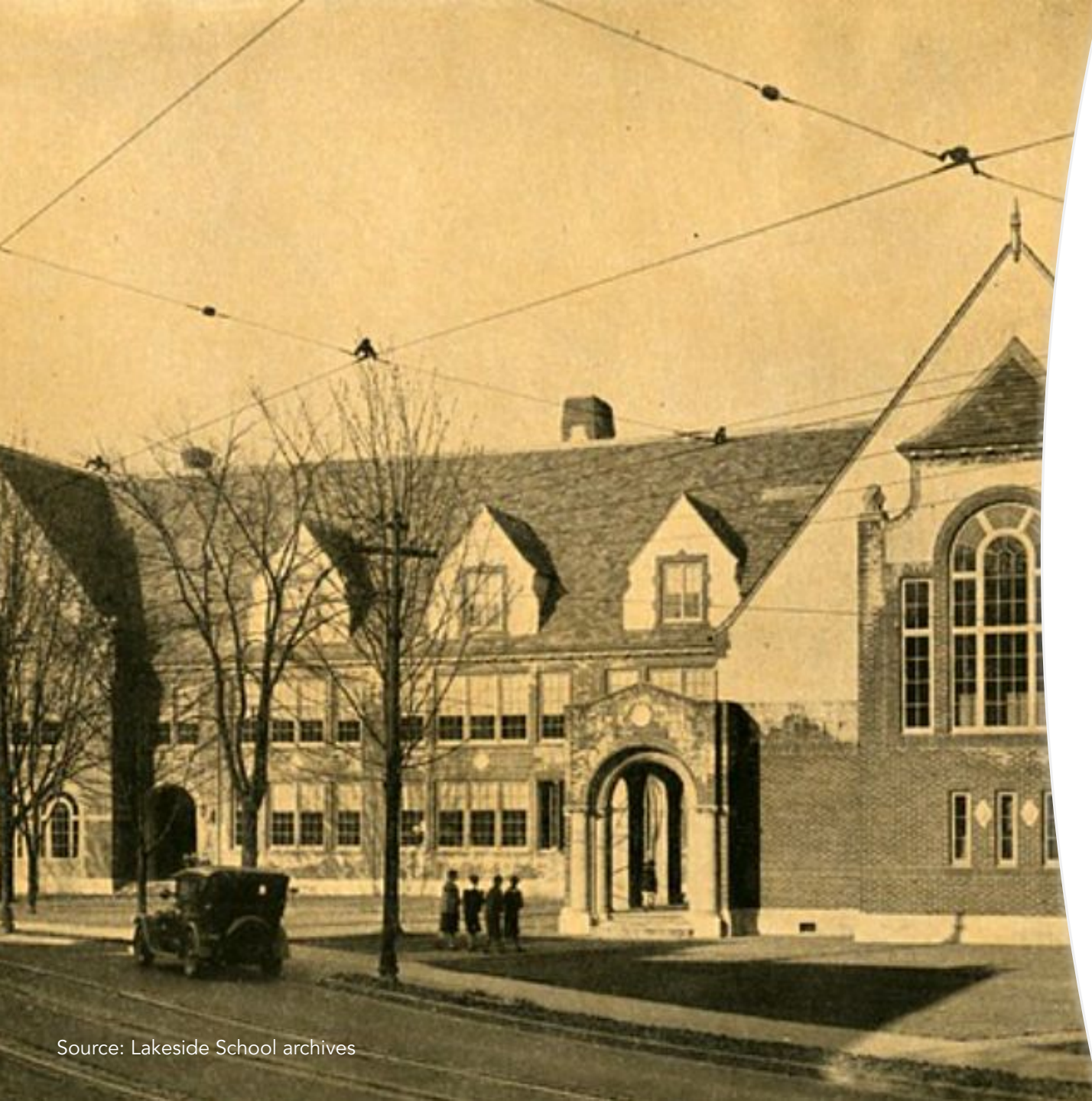




Exploring Affordable Housing on Campus

September 2023



Source: Lakeside School archives

Tonight's Conversation AGENDA

- Welcome
Gathering, Land Acknowledgment,
Opening Prayer, Missional Opportunity
- Overview of St. Nicholas
History, Current Snapshot
- Affordable Housing 101
Why? What is it? How does it work?
- Looking Ahead
Next Steps

A Look Back

The background image shows a multi-story brick building with a covered walkway on the ground floor. The walkway has several arches supported by columns. Large, leafy green trees are in the foreground and to the right, partially obscuring the building. The sky is bright and slightly overcast.

- 2003: St. Nicholas purchased. Since 2020, Saint Mark's is the sole member of the LLC.
- Rent from schools has largely paid for building mgmt.
- The Cathedral uses mezzanine spaces for classrooms, Choir School and Skinner Auditorium.
- 2022: St. Nicholas Exploratory Committee recommends against market rate housing. Vestry concurs. Affordable housing not in charter/scope of the Committee.
- 2023: Saint Mark's engages Windermere to support property management with rising complexities of maintenance and operations.

Snapshot: Operating Costs of St. Nicholas

- Mortgage debt retired in 2020
- Current lease stream approx. \$750K annually
- Projected 2023 Operating Expense \$720K
- Recent structural challenges addressed:
 - Settlement in stair tower \$170K
 - Roof repairs \$30K
 - Water intrusion, mold mitigation \$200K
 - HVAC system replacement and repairs \$210K
- Deferred maintenance challenges ahead:
 - Roof replacement: \$1.4M
 - Seismic URM: \$3-5M
 - HVAC: \$2M
 - Electrical: \$1-2M



Vestry Actions to Explore Affordable Housing

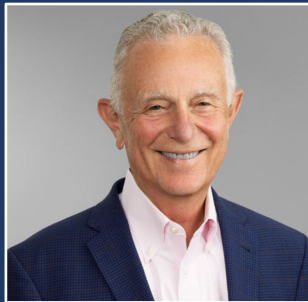
- September 2022: Formed the Affordable Housing Exploratory (AHE) Committee with Vestry, staff and parishioner representation for a focused exploration.
- February 2023: Affordable housing discussed as part of strategic visioning at annual Vestry Retreat.
- March 2023: Vestry unanimously approved the AHE Committee's recommendation to move forward with a "formal" feasibility assessment, based on outlined criteria, and engage the services of a development consultant.

Affordable Housing Exploratory Committee

MEMBERS



Lynne Cobb



John Hoerster - *co-chair*



Scott Kovacs



Scott Hulet



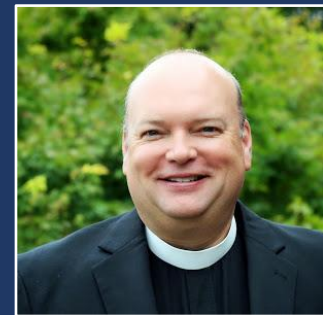
Re Knack



Emily Meeks - *co-chair*



Roberta Nestaas



Dean Steve Thomason



Alexandra Thompson

AHE Committee Milestones

- Completed initial exploratory phase included 15+ interviews with community organizations, establishing criteria and outlining plan.
- Advancing work in current phase of feasibility assessment and predevelopment.
- Collaborating closely with highly skilled, experienced development consultant, Tory Laughlin Taylor.
- Secured pre-development funding from Enterprise Community Partners and in application for a grant from Trinity Church Wall Street.

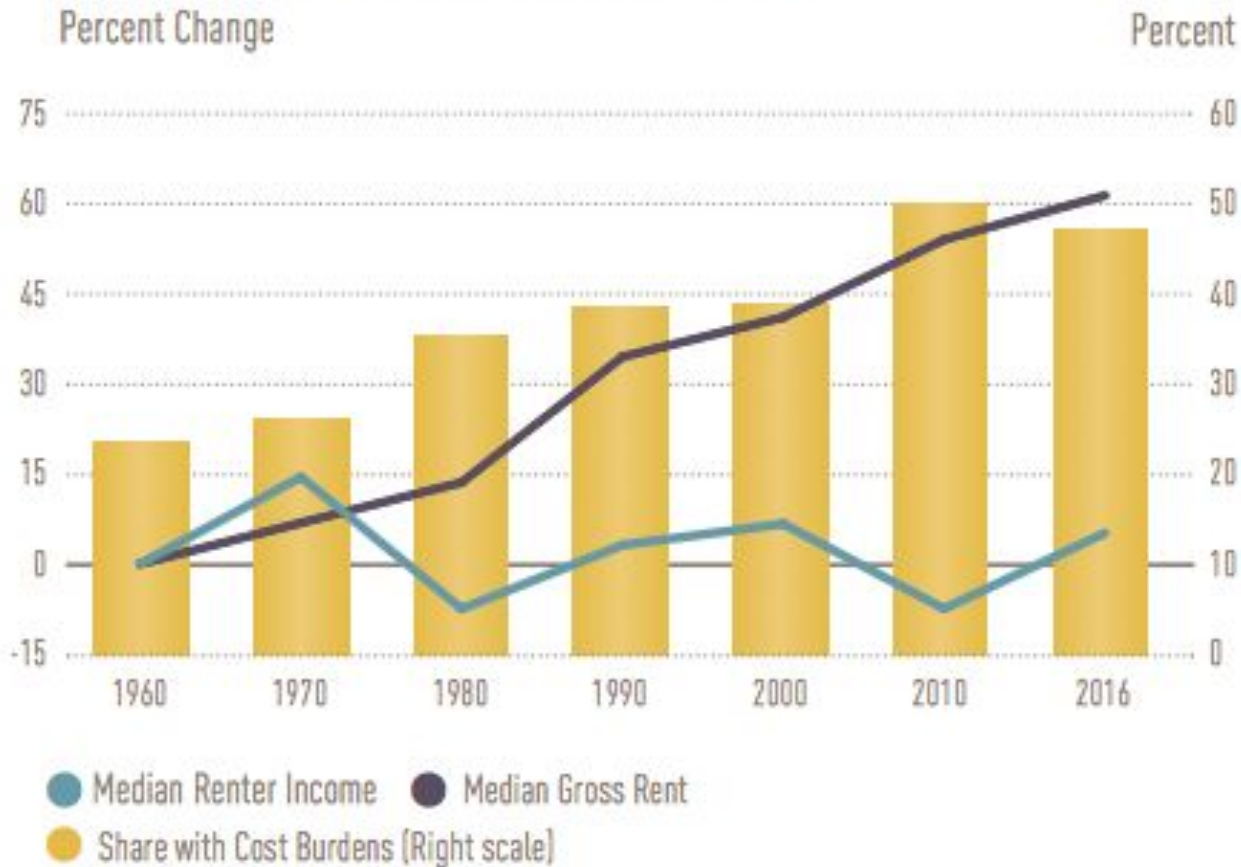
We are in a process of discerning what opportunities may be possible and where God may be calling us into.



Affordable Housing 101



The Sharp Divergence in Housing Costs and Incomes Has Fueled a Long-Term Increase in Cost-Burdened Renters



Note: Rents and incomes are adjusted for inflation using the CPI-U for all items.

Source: JCHS tabulations of US Census Bureau, 1960–1990 Decennial Censuses, and 2000–2016 American Community Surveys.

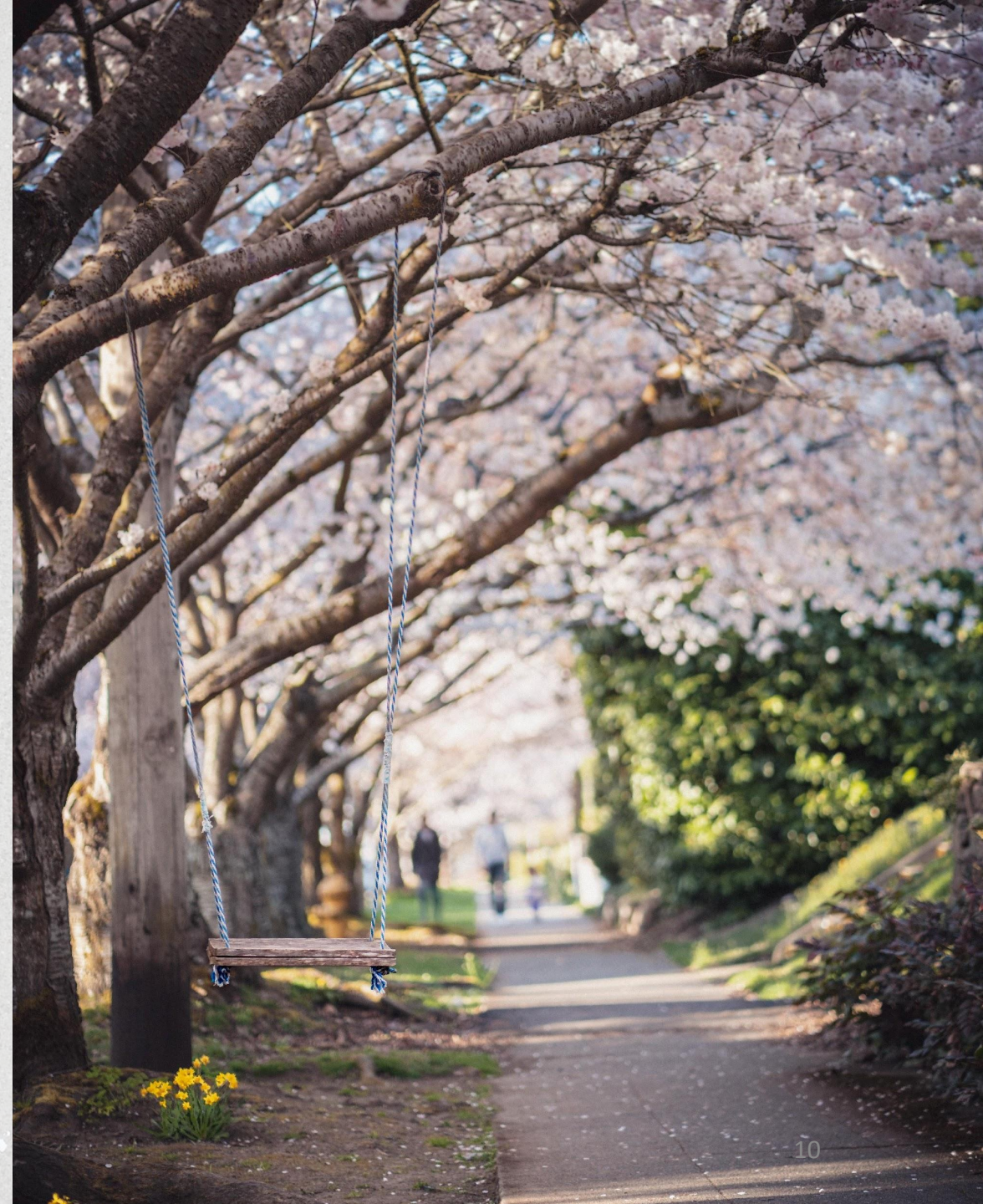
KEY DRIVING FACTORS:

- Growth of population has outpaced new construction
- Wage growth has not kept pace with economy
- Existing market-rate housing demands higher rents
- Profit motive drives development of only high-cost housing
- Cost of quality housing construction exceeds what is financeable at affordable rents

Learn More

AFFORDABLE HOUSING RESOURCES

- [Imagine a Renters Utopia](#) – NY Times
- [Evicted](#) by Matthew Desmond
- [Poverty by America](#), by Matthew Desmond
- [Homelessness is a Housing Problem](#) by Greg Colburn (UW Professor)
- [Raj Chetty in 14 Charts](#) - Brookings
- [Joint Center for Housing Studies of Harvard University](#), including their [blog](#), [annual report](#) and [America's Rental Report](#)
- [The share of 'cost-burdened' Seattle households has fallen. Here's why](#) - FYI Guy article - Seattle Times



Housing is the linchpin.

Without the stability of a safe place to shelter, eat and sleep, all one's energy goes into struggling to get by.



What is "affordable" when it comes to housing?

30%

No one should spend more than 30% of their total earnings on housing. Those who spend more are considered "housing cost-burdened."

50%

of American renters are housing cost-burdened.

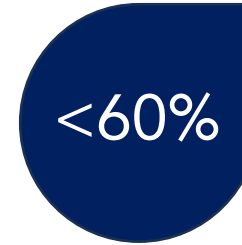
68%

of low-income households in King County in 2019 were housing cost-burdened.

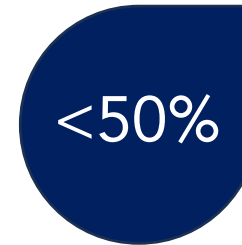
What is “low income” when it comes to affordable housing?

Area Median Income (AMI):

AMI levels are calculated and published as a % of median income based on household size. Rent limits for affordable housing units are capped at 30% of what that size and income level of household is expected to earn. AMI is published annually by HUD for every U.S. county to define the income level of households eligible for affordable housing.



low income
= \$57,540 for
single-person
household



very low income
= \$47,950 for
single-person
household

*for King County, WA 2023

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PROBLEM

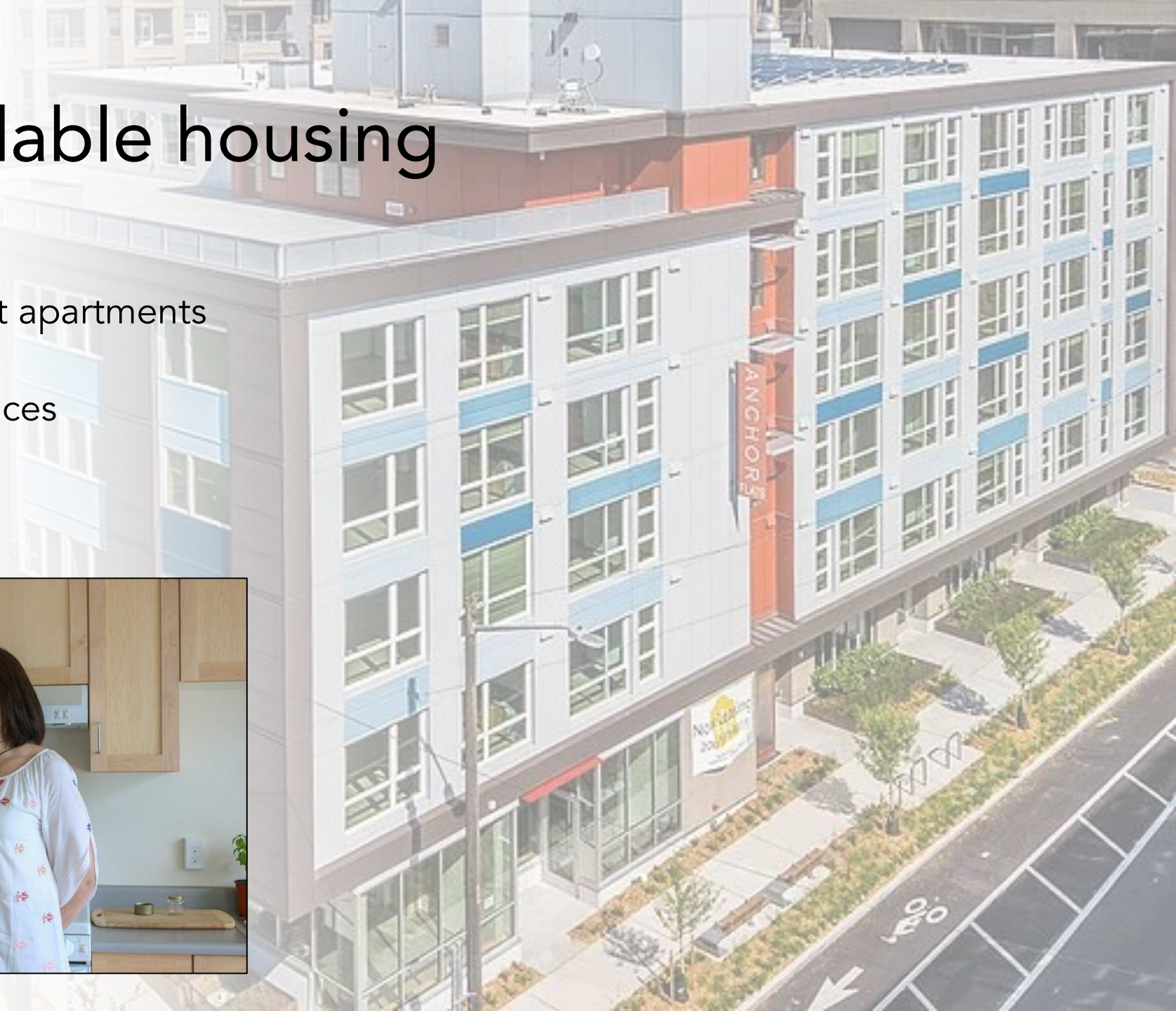
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Cities like Seattle with strong higher-end job growth have seen AMI calculations jump even while wage growth has been slower for low-income workers.

Result = even “affordable” rents rising faster than incomes.

What does affordable housing look like locally?

- Not as large or dense as market apartments
- Placed close to transit and services
- Attentive to neighborhood fit



What does affordable housing look like locally?

What drives the cost?

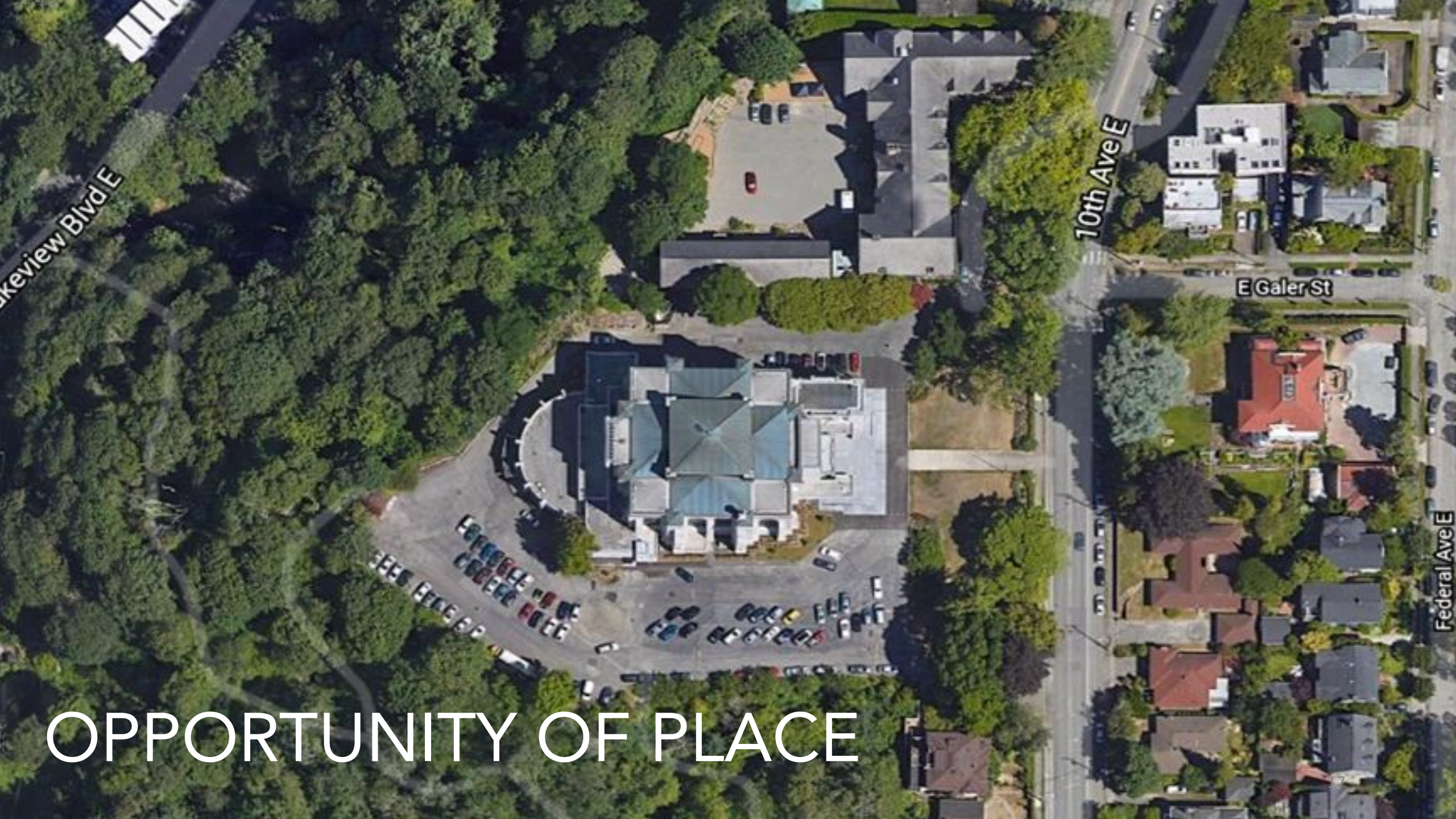
- Quality construction
- Public requirements
- Smaller Scale
- Legal complexity



What does affordable housing look like locally?

- More family-sized units
- Durability of construction
- Environmental sustainability
- Long-term management





OPPORTUNITY OF PLACE

OPPORTUNITY OF PLACE

SAINT MARK'S AND NORTH CAPITOL HILL

Transit connections
Access to downtown
Commercial services

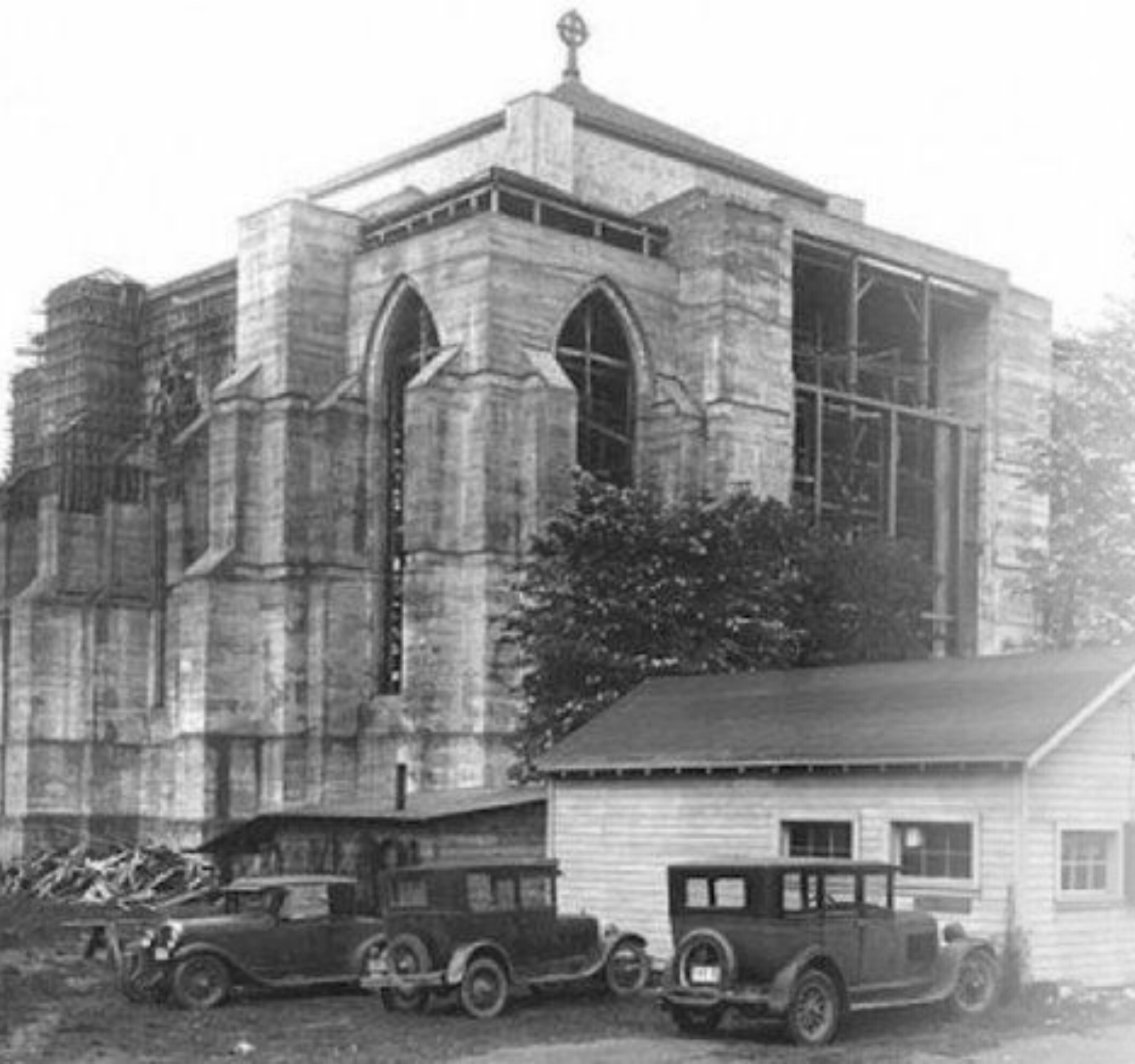


Volunteer Park
Green space
Walkable neighborhood



Well-supported local schools
Multigenerational connections
Welcoming space





Breakout Groups

- How could affordable housing on campus engage the vision and mission of Saint Mark's? Share any opportunities and challenges that come to mind.
- Think about the setting and surroundings of the Cathedral in North Capitol Hill. In what ways have these aspects shaped your experience of Saint Mark's? What do you treasure most?



What's Next: Looking Ahead

- Advance feasibility and development readiness, navigating opportunities and challenges in collaboration with AHE Committee, development consultant and cathedral leadership.
- Steward grant awards and continue to seek funding to offset predevelopment costs.
- Engage Vestry with project updates and key decision points in the coming months.

STAY CONNECTED

- All Parish Q+A Cathedral Commons:
Sunday, September 24 at 10:10 am in
Bloedel Hall
- Email questions to
affordablehousing@saintmarks.org