

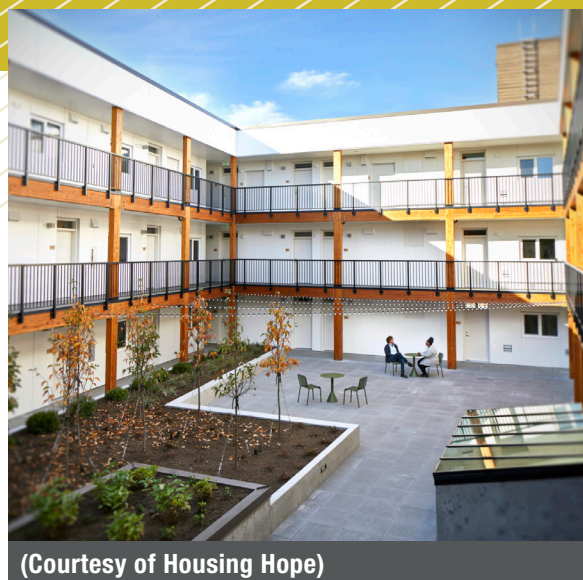
HOMELESS TO HOUSED

Terwilliger Center for Housing



(Courtesy of Housing Hope)

CASE STUDY: HOPEWORKS STATION NORTH



(Courtesy of Housing Hope)

EVERETT, WASHINGTON

LOCATION:

3331 Broadway
Everett, Washington

PROJECT TYPE:

Supportive multifamily
housing

SIZE:

- Lot Size: 0.59 acres
Facility Size: 44,243
square feet
- 10,092 square feet
of office
 - 31,151 square feet of
affordable multifamily
 - 3,000 square feet of
retail/restaurant space

OWNER:

Housing Hope, HopeWorks

OPERATOR:

Housing Hope (residential)
and HopeWorks
(commercial)

PARTNERS:

Beacon Development,
Housing Hope, HopeWorks

COST:

\$30 million

COMPLETION DATE:

October 2019

CONTACT:

GGLO
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WEBSITE:

[www.hopewrks.org/
hopeworks-campus](http://www.hopewrks.org/hopeworks-campus)



The HopeWorks Station North site is walkable from Everett Station. (Courtesy of Housing Hope)

Project Overview

HopeWorks Station North is an affordable multifamily housing, workforce development, and job training center located in the Everett Station District of Everett, Washington, a city 30 miles north of Seattle. This development is unique not only because it combines supportive housing just blocks from a regional transportation hub, but also because it is net zero energy-ready. The development is owned by HopeWorks, a local nonprofit job training program, and Housing Hope, a regional nonprofit that provides affordable housing and tailored services to reduce homelessness and poverty in Snohomish County. HopeWorks Station North provides comprehensive housing and social and job reentry services for low-income, unhoused, and veteran populations.

Located in a low-density area of Everett, the HopeWorks Station North site was adjacent to strip malls and manufacturing warehouses when designed and planned, and this multifamily housing and mixed-use development's construction helped to increase density and walkability to the Everett Station. As part of the planning and design process, HopeWorks worked with the Everett Station District

Alliance to make the neighborhood more accessible to pedestrians and bicyclists. HopeWorks anticipated the mobility needs of residents by locating amenities that encourage and support bicycle and pedestrian activity, including accessible sidewalks and bicycle parking and repair facilities.

The building design process for the development was iterative; the team engaged multiple stakeholders from the outset to improve and refine the design. Of the 44,000 square feet of space, 3,000 square feet is dedicated to the Kindred Kitchen, a restaurant space that offers job training for low-income individuals. Another 10,000 square feet is dedicated to HopeWorks's office space; two conference/training rooms for community meetings, events, and the Job Training Academy classes; and space for retail expansion. The remaining 31,000 square feet contains 65 units of affordable multifamily housing. Also, the building provides 95 structured parking spaces—65 percent underground and nearly 5 percent in spaces designated for electric vehicle charging.

The development team's goal for this unique property was to take operational energy savings from this net zero development and invest those savings into programs that serve the needs of



The Kindred Kitchen restaurant offers job training for low-income individuals. (Courtesy of Housing Hope)

residents and the surrounding community. To support this goal, the team prioritized and modeled net zero emissions during the design phase and executed significant embodied and operational carbon reduction features and on-site solar panels as part of the building's design. Achieving net zero energy and affordable housing requires dedicated community engagement and participation through residential programming that helps residents reduce their energy and water use and achieve community and development sustainability goals. For these efforts, HopeWorks Station North was included in the International Living Future Institute's Living Building Challenge Petal Pilot Program for Affordable Housing. The building is the first Leadership in Energy and Environmental Design (LEED) Platinum-certified building in Everett and has the Washington State Evergreen Sustainable Development Standard Certification. The building has also won the 2022 ULI Americas Awards for Excellence in the Low Carbon Development category, the PCBC Gold Nugget Award for Merit for Best Innovative Energy Design in 2020, and the ASHRAE Regional Technology Award in the New Multifamily Category in 2022. For more information on HopeWorks Station North's net zero emissions features, see the [Net Zero Deal Profile](#).

The Partnership

Development partners for HopeWorks Station North include Beacon Development (developer), Housing Hope (housing operator and service provider), HopeWorks (job training partner and building owner), GGLO (design architect), Dykeman Architects (architect of record), Ecotope (energy analysis and mechanical engineering), and Kirtley-Cole Associates (general contractor).

Costs and Financing

The development costs were about \$30 million, with site acquisition at a cost of \$900,000; hard costs, including construction and the cost of the general contractor, totaling \$22 million; and soft costs, including design, legal fees, and insurance, totaling \$6 million. The capital stack for this development involved 35 different sources of funding, including private social equity investors and traditional debt financing. JP Morgan Chase provided about \$10 million in construction financing. That was supplemented by soft debt totaling about \$3.7 million from the city of Everett, Snohomish County, the State Housing



HopeWorks worked with the Everett Station District Alliance to make the neighborhood accessible to pedestrians and bicyclists. (Courtesy of Housing Hope)

Trust Fund, and the Federal Home Loan Bank of Des Moines. The development benefited from a 9 percent low-income housing tax credit (LIHTC) and federal solar credits of \$13 million. In addition, due to the development's combination of affordable housing and sustainability features, the building received an Ultra High Energy Efficiency grant from the U.S. Department of Commerce. The grant helped to facilitate installation of energy performance features and offset the incremental cost of implementing these energy efficiency measures, totaling about \$1 million or 5 percent of the construction cost. Housing Hope and HopeWorks own the building. Property management for the residential portion of the project is contracted to Coast Property Management, and Housing Hope staff members provide wraparound supportive services for the families transitioning out of homelessness.

Challenges

Since the building's groundbreaking, the development and operations team has learned several lessons. First, the team learned that user and resident behavior were important contributors toward the development's sustainability goals; resident energy

use was higher than expected. Second, team members learned that in addition to resident-led efforts, it is important to have a full-time staff that tracks data and trains residents on sustainability and energy use to help mitigate unexpectedly high energy use. Finally, the design team recognized that they should have considered using low-carbon material alternatives to traditional building materials to reduce the embodied carbon impact of the development.

Outcomes

HopeWorks Station's residential units are an important asset to a community struggling with high cost of living, increasing rates of homelessness, and severe shortages of available and affordable housing. HopeWorks Station includes 65 affordable apartments, 57 of which are designated for individuals and families experiencing homelessness at entry. The development includes units set aside for youth, veterans, and families participating in Snohomish County's Family Drug Treatment Court program. In 2023, HopeWorks Station provided housing and wraparound supportive services to 90 individuals. Education and employment services are

KINDRED KITCHEN



(Courtesy of Housing Hope)

a key element of this program, and HopeWorks has seen many significant resident successes in career development. Of the 14 families who exited to other permanent housing in 2023, 12 increased their income during their time in the program, including four families who increased their income by over \$2,000 per month. These outcomes demonstrate the impact that housing and employment-focused services have on families working to break the cycles of homelessness and poverty.

HOMELESS TO HOUSED: PROJECT PRO FORMA

NAME	HopeWorks Station North	BRIEF DESCRIPTION HopeWorks Station North is a 65-unit affordable multifamily apartment development for veterans, families, and youth that have experienced housing instability. The development includes housing, workforce development services, and a job training center located just blocks from the multimodal Everett Station.
LOCATION	Everett, Washington	
SPONSOR	Housing Hope, HopeWorks	
NUMBER OF UNITS	65	

DEVELOPMENT PRO FORMA	TOTAL (\$)	PER RES./UNIT (\$)
USE OF FUNDS		
Acquisition of land and/or building	900,000	13,846
Architecture, engineering, and entitlement costs	6,000,000	92,308
Construction costs	22,000,000	338,462
Legal and professional costs	0	0
Additional equipment and related costs	0	0
Development fees	0	0
Interest during construction	0	0
Real estate taxes during construction	0	0
Other costs	795,500	12,238
Total uses, capital cost	29,695,500	456,854
SOURCE OF FUNDS		
Permanent debt (JP Morgan construction financing)	10,690,150	164,464
LIHTC equity (9%)	13,173,115	202,663
Philanthropic capital, government grants, and solar credits (\$159,000)	5,832,235	89,727
Total sources	29,695,500	456,854
OPERATING PRO FORMA		
ANNUAL REVENUE		
Revenue from residents	293,533	4,516
Revenue from resident-related sources (vouchers, etc.)	749,252	11,527
Revenue from other sources (grants, philanthropy)	0	0
Support for wraparound services	0	0
Total revenue	1,042,785	16,043
ANNUAL EXPENSES		
PROPERTY OPERATIONS		
Salaries	140,322	2,159
Repairs and maintenance	148,159	2,279
Utilities	31,453	484
Taxes	3,630	56
Insurance	93,920	1,445
Other property-related expenses	186,338	2,867
Total property operational expenses	603,822	9,290
OTHER RESIDENT SERVICES		
Salaries	141,095	2,171
Contract services	0	0
Total resident services	141,095	2,171
Total expenses	744,917	11,460
Net revenue	297,868	4,583

About the Urban Land Institute

ULI is a nonprofit education and research institute supported by its members. Its mission is to shape the future of the built environment for transformative impact in communities worldwide. Established in 1936, the Institute has more than 48,000 members worldwide representing all aspects of land use and development disciplines.

About ULI Homeless to Housed

Homeless to Housed (H2H) recognizes that ULI members are well positioned to help address homelessness. With generous support from a growing number of ULI members, the initiative works to explore real estate solutions to the growing crisis affecting communities everywhere. Core elements of this work include conducting research, promoting cross-sector collaboration, providing local technical assistance through ULI's network of district councils, and sharing knowledge and expertise for addressing housing challenges for individuals and families.

This initiative began through the 2022 research report *Homeless to Housed: The ULI Perspective Based on Actual Case Studies*. Driven by the generosity and guidance of Preston Butcher, the report explores the role the real estate community can play in addressing the issue of homelessness. It includes a summary of lessons learned, a blueprint for how to replicate best practices in U.S. communities, and a series of case studies that demonstrate how the development community can be an active partner in addressing the critical shortage of housing in the United States. See the full report and companion case studies: uli.org/h2h.

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