



CITY OF KIRKLAND

Department of Planning and Community Development
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MEMORANDUM

To: Houghton Community Council

From: Dawn Nelson, Planning Supervisor 

Date: August 10, 2007

Subject: Friends of Youth Presentation

Susan Rogel, Program Coordinator for Friends of Youth, will be attending the August 20, 2007 Houghton Community Council meeting to give a short presentation and answer questions about a new housing project that they are pursuing at 11005 NE 68th Street. They are in the process of acquiring the existing eight unit apartment complex at that location to provide interim housing with supportive services for six homeless young adults. The property is 9,221 square feet in size and is zoned RM 3.6, which would allow two units if the property were redeveloped. Under current non-conforming density regulations, the eight units can be repaired, maintained and remodeled (within limitations set by the Zoning Code). The attached summary sheet and real estate flier provide some background information about the project.



New Ground Kirkland *Rebuilding Young Lives*

Friends of Youth is a locally-based non-profit organization committed to providing services to youth and young adults. We are planning to create an affordable housing project – interim housing with supportive services for six homeless young adults. This new site – New Ground Kirkland – is part of our well-established New Ground program for homeless young adults. We have operated similar programs in Redmond, Bothell, Seattle and Everett for almost 20 years.

What is the need for supported housing?

- Young adults (18 to 21) become homeless for many reasons, including abuse, neglect, and aging out of the foster care system*
- They face serious barriers to obtaining housing in the private market*
- Just like any other young adult, they need time and support to develop independent living skills, obtain education or training, and secure a living wage job*
- Each year Friends of Youth serves 200 young adults in overnight emergency shelters
- On any given day, an additional 25 to 30 individuals are served through the agency's street outreach program

Where will New Ground Kirkland be located?

Address: 11005 NE 68th Street, Kirkland 98033 (8-Plex apartment building)

How does it fit into Kirkland's zoning and planning goals?

Zoning: Parcel zoned RM 3.6

Use: Legal Non-conforming use

Comprehensive Plan *Goal H-2*: Promote the creation of affordable housing and provide for a range of housing types and opportunities to meet the needs of all segments of the population.

What is the New Ground program?

- The 8-plex building will house up to six formerly homeless young adults, 18-21, and a resident manager who is responsible for property management, after-hours resident management, transportation to essential services, etc.
- Participants are required either to attend school or find a full-time job
- An individually-assigned case manager will meet with each resident, at least once a week
- Participants develop independent living plans that help them develop the skills they need for self-sufficiency

* East King County Plan to End Homelessness (Draft June 2007).

- Facilities are maintained by Friends of Youth

What is the timing for acquisition and renovation?

Activity	Anticipated Timeline
Purchase and Sale Agreement	Completed
Property Sale Closing	August 31, 2007
Applications for capital funds (for interior and minor exterior rehab work)	September 2007
Notice of funding awards	December 2007
Relocation of existing residents	January - March 2008
Rehab work	April – June 2008
Program opens/residents arrive	July – August 2008

Who are Friends of Youth's funding partners in this project?

Capital Funding Partners	Operating Funding Partners
Friends of Youth contributions	U.S. Dept. of Health & Human Services
Washington State CTED	United Way of King County
Washington State Housing Trust Fund	Friends of Youth contributions
ARCH (A Regional Coalition for Housing)**	

** Application submission pending

What is Friends of Youth's experience with this type of project?

- For more than 55 years, Friends of Youth has provided housing, treatment, and prevention services for youth and their families that foster individual growth and constructive relationships. Friends of Youth envisions each child having every opportunity to become a successful adult
- Friends of Youth operates programs at 22 sites in King and Snohomish Counties, with an annual budget of \$6.8 million. The full range of quality services includes residential treatment, transitional living programs, emergency and overnight shelters, outreach to homeless youth, in-home services to young parents through the Healthy Start program, substance abuse counseling, mental health counseling, parent education, family support programs, youth development programs, and youth employment services through new agency-owned retail ventures.
- Each year Friend of Youth serves over 11,000 youth
- Friends of Youth is accredited by the National Council on Accreditation for Children & Family Services; the agency undergoes an annual financial audit, and periodic program audits by various public and private funding partners

Who should I contact for additional information?

Bob Rench, Director of Administration Friends of Youth
 16225 NE 87th Street, Suite A-6
 Redmond, WA 98052
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11005 NE 68th Street, Kirkland

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UNIT MIX

No.	Bd/Bath	SF*	Current Rents	Market Rents
1	1/1	625	\$ 600	\$ 750
2	2/1	775	\$ 700	\$ 900
3	2/1	775	\$ 850	\$ 900
4	1/1	625	\$ 710	\$ 750
5	1/1	625	\$ 615	\$ 750
6	2/1	775	\$ 785	\$ 900
7	2/1	775	\$ 800	\$ 900
8	1/1	625	\$ 710	\$ 750
8		5,600	\$5,770	\$6,600

Total Scheduled Rent::	\$5,770	\$6,600
Other Income:	\$50	\$50
Laundry Income:	\$100	\$100
Total Monthly Income:	\$5,920	\$6,750
Scheduled Gross Income:	\$71,040	\$81,000

*Square Footage is approximate. Buyer to verify.

LOCATION MAP



BUILDING SUMMARY

Price:	\$1,200,000
Units:	8
Approximate Net RSF:	5,600
Lot Square Feet:	9,221
Year Built:	1968
Current GRM:	16.89
Market GRM:	14.81
Price Per Net RSF:	\$211.34
Current Cap Rate:	3.79%
Market Cap Rate:	4.59%

OPERATING DATA

Income	Current	Market	Proforma Expenses	Current	Market
Gross Annual Income	\$ 71,040	\$ 81,000	Real Estate Taxes (2005)	\$7,750	\$7,750
Less: Vacancy Factor	3.0% (2,131)	3.0% (2,430)	Insurance	\$2,400	\$2,400
Gross Operating Income	\$ 68,909	\$ 78,570	Utilities: W/S/G	\$5,500	\$5,500
Less: Expenses	33.01% (23,450)	28.95% (23,450)	Maint/Repairs	\$6,000	\$6,000
Net Operating Income	\$ 45,459	\$ 55,120	Advertising	\$ 500	\$ 500
Less Loan Payments	(\$44,098)	(44,098)	Landscaping	\$ 600	\$ 600
Pre-Tax Cash Flow:	\$1,361	\$11,022	Electric	\$ 700	\$ 700
Plus Principal Reduction*	\$7,097	\$7,097	Total Operating Expenses	\$23,450	\$23,450
Total Return Before Taxes:	1.41% \$8,458	3.02% \$18,119	Expenses Per Unit	\$2,931	\$2,931

*Assumes 50% Down and 6.20% interest rate amortized over 30 years.



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