

---

**SEATTLE HOUSING AUTHORITY  
REGULAR BOARD BRIEFING**

---

**LOCATION** Via Teleconference Line  
(206) 257-3799; ID 877 198 629#

**DATE** November 9, 2020 4:30pm - 6:00pm

**BOARD ATTENDEES** Paul Purcell, Board Chair  
Dr. Paula Houston, Vice-Chair  
Robert Crutchfield  
Michael Diaz  
Twyla Minor  
Gerald Smiley  
Debbie Thiele

---

**DISTRIBUTION** SHA Board of Commissioners; Cabinet

---

**Commissioner Roll Call**

**AGENDA:**

**Briefing Items**

- **Resolution No. 5198** – New LLC Formation
- **Resolution No. 5199** – Sawara LLLP Formation
- **Resolution No. 5200** – Sawara Bond Inducement
- **Resolution No. 5201** – Yesler Disposition Application
- Northgate Update

Commissioner roll call was given at 4:36 p.m. The Briefing was held solely via teleconference. Commissioners Diaz, Dr. Houston and Minor were absent from the Briefing.

## **Review 11/16/20 Regular Board Meeting Agenda and Updates**

### **Resolution No. 5198 – New LLC Formation**

Executive Director Andrew Lofton introduced Finance & Asset Management Director Jared Cummer, who presented the resolution to the Board. Resolution No. 5198 was formulated to authorize SHA to create a Limited Liability Company (LLC) to establish a limited partnership for the Sawara Apartment project for the Yesler Terrace redevelopment. Current practice for SHA to do this would be to use the S.P.A.C.E Foundation as the interim limited partner; but, pending Section 18 action with HUD, there will be a transfer of assets that have value into the S.P.A.C.E. Foundation. Due to the change in the use of the S.P.A.C.E. Foundation, SHA's legal counsel advised against using this entity in the formation, or exit of limited partnerships moving forward, but to establish a new Limited Liability Company (LLC) with SHA as the sole member.

### **Resolution No. 5199 – Sawara LLLP Formation**

### **Resolution No. 5200 – Sawara Bond Inducement**

Executive Director Andrew Lofton introduced Development Director Terry Galiney, who presented the resolutions to the Board. **Resolution No. 5199** authorizes the formation of a Limited Liability Limited Partnership (LLLP) for the development of Sawara, the seventh SHA building in the Yesler Terrace redevelopment. **Resolution No. 5200**, a companion piece to Resolution No. 5199, which is an inducement to authorize the sale of the bonds related to the financing for the development of Sawara in the amount of \$36.5M. The first resolution forms the entity for development of Sawara, and the second authorizes the financing and issuance of bonds for the project.

Sawara, which will be located at 8<sup>th</sup> & Yesler across the street from Raven Terrace, will contain approximately 114 units, and is the next replacement unit project to be built at Yesler Terrace. This project is expected to close in June, 2021, and is set to be the next to the last development to be built at Yesler Terrace with replacement housing units. Approximately 65 of the units will be replacement housing for the original 561 Yesler Terrace units, with the balance of the units intended to be tax credit units, similar to past projects done on the property.

Mr. Lofton explained that the inducement resolution gives an indication of the Board's intent to move forward on this project and act on these bonds in the future to capture early costs to be reimbursed when the bonds are actually sold. The Board will have another opportunity and to approve, or disapprove the actual financing at a later date.

## **Resolution No. 5201 – Yesler Disposition Application**

Mr. Galiney presented Resolution No. 5201 to the Board, which authorizes the disposition of property to sell to developers for the purpose of creating market-rate and affordable housing at Yesler Terrace. All residents have been moved and the structures have been demolished. The total amount of land is just under 1.8 acres, sites of currently vacant land located in Yesler Terrace Block 6 and put under contract in 2018 & 2019. The land will be sold to two private sector development partners, one (parcel 6.1a) of which we expect to close at the end of 2020, with the other (parcel 6.1b) expected to close in March of 2021. The total is around \$36M between both parcels.

## **Northgate Update**

Mr. Lofton introduced Development Strategic Advisor Stephanie Van Dyke, who briefed the Board on property acquired with the City of Seattle in the Northgate area and progress for future development on the site.

The Northgate Apartments property came on the market in 2019, and consists of 8.5 acres adjacent to the freeway, N. Seattle College, parks and retail businesses. Redevelopment core commitments, in cooperation with the City of Seattle, to guide our efforts and commitments to the project. These consisted of: creating a connected, diverse community; partner with community, local and regional stakeholders to develop and carry out a vision; provide affordable housing for people across the spectrums of income and family size; integrate environmental stewardship and health into the fabric of the community; as well so, preserve existing affordable housing until redevelopment occurs. SHA has a different role in this project than from other projects like HOPE VI and Yesler communities; SHA is to serve as a master developer for the City of Seattle, as this is not previously property wholly owned by the agency, with no federal sources of funding are involved. SHA will be involved with creating and implementing the Master Plan, possibly relocating residents, will develop the site and sell market rate parcels to recoup the development costs. We expect that when the City puts up sites for competition for affordable housing development, SHA will then compete for funds to build affordable housing on the site. The City will be collaborating with the planning with SHA, project funding, take primary efforts in community outreach, as well as assistance in expediting permits and selecting the affordable housing developers on the property.

Currently, discussions are taking place in finalizing Cooperative Agreement with the City of Seattle, site development planning and development phases for the site. In determining this, we are looking at road access (with no east to west access to be used as a cut through use and mitigate traffic), pedestrian access, as well as the potential of preservations of trees. There are currently various versions in development phasing for the property with lots of flexibility in keeping residents in place during the process, with thoughts of developing from the south portion to the north portion of the property if done so. Populations served, regarding different levels of income, financing models, as well as relocation considerations, are vital to the redevelopment project, as well.

# Potential Population Served

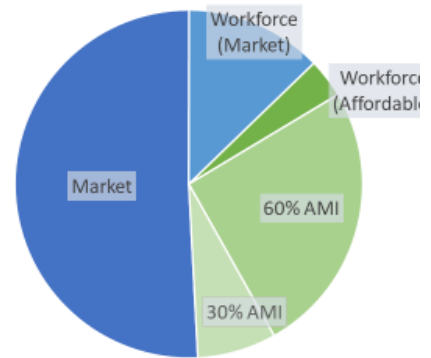
## Market-rate Development

Unrestricted Market Units	590
Workforce Units (80% AMI for 20 years)	148
<b>Total Market Developers</b>	<b>738</b>

## Affordable Development

Extremely Low Income Units (30% AMI)	85
Low Income Units (60% AMI)	295
Workforce Units (80% AMI)	42
<b>Total Affordable Developer Units</b>	<b>422</b>

Total Neighborhood Composition



# Relocation Considerations

## 1. Financial and logistical support

- Provide moving services at no cost or reimburse residents
- Expect substantial rent differential payments

## 2. Reduce impact on vulnerable populations

- Engage residents early to provide ample options and time
- Seek partnerships with nearby housing providers

## 3. Support residents' agency in their relocation choices

- Recognize that some will view relocation as a burden, others as an opportunity
- Provide quality counseling about relocation and housing resources



# Financial Model

<i>Uses</i>	<b>Master Development/SHA</b>	<b>Public Utilities &amp; Developers</b>
Acquisition	65,000,000	-
Master Planning	1,400,000	-
Relocation	3,000,000	-
Demolition and Site Prep	750,000	3,470,000
Regional Infrastructure Upgrades		1,220,000
Roads and Pathways	1,970,000	
Stormwater and Water Quality	14,300,000	
Affordable Housing Development	-	219,400,000
<b>Total</b>	<b>86,420,000</b>	<b>224,090,000</b>
<i>Sources</i>		
Housing Sources (LIHTC, Bonds)	-	141,500,000
Land Sales Proceeds	65,600,000	-
City of Seattle Contribution	20,820,000	82,590,000
<b>Total</b>	<b>86,420,000</b>	<b>224,090,000</b>

The redevelopment timeline is as follows:

## **2019**

Acquisition completed in December

## **2020**

Cooperative Agreement drafting and negotiation w/City

Identify options for site phasing, massing, utilities, circulation, and open space

## **2021-2022**

City Council action on Cooperative Agreement (targeted for mid-2021)

Utility and circulation funding, planning, design completed

Parcel subdivision (short plat process) completed

Affordable housing program development, funding, development partner(s) selection and design

## **2023-2027**

Utility and circulation construction completed

Resident relocation

Sale of land for market-rate housing development

Affordable and market housing construction

## **Board Discussion**

Board Chair Purcell urged the Commissioners to view the draft proposal for the SHA Executive Director search, and requested that both the Board and Cabinet members identify any missing information and/or edits of the proposal for the purpose of the engagement and communication with the search recruiters enlisted for this process. Community and agency partners involvement in the search was discussed, as well as a

summary of an outline for the process of obtaining a new director for the agency. This would consist of the formations of a sub-group of Commissioners to lead in reviewing applications, as well outside groups (a stakeholder and a resident group) to participate in the search process, with the Board making the final determination in selecting the new director. It was agreed that this discussion will continue at the November 16 Board Meeting.

Commissioner Purcell asked the Board if there were any questions, or comments pertaining to the Briefing. He then adjourned the meeting at 6:13 p.m.

---

Secretary-Treasurer