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Second Yesler land sale will fund low-income replacement homes
Q & A: Vulcan Purchase and Sale Agreement

How does this purchase and sale agreement support the long-term redevelopment goals for Yesler Terrace?

- Proceeds from the \$22 million sale will immediately go to fund construction of low-income housing and infrastructure at Yesler Terrace, replacing failing structures with new, safer, healthier homes.
- Vulcan Real Estate has shown a long-term commitment to the vision of Yesler as a revitalized, mixed income community and is willing to make a substantial commitment to redevelopment through a multi-block agreement with hundreds of mixed-income housing units.
- As SHA brings a residential broker on board to manage additional land sales, Vulcan's status as a premier market-rate developer will help to serve as a catalyst to bring other developers to the project, to build more housing for mixed income levels.

What is workforce housing? Does this agreement legally commit Vulcan to develop workforce housing?

Yes, under this agreement Vulcan is obligated to build workforce housing as part of its developments. Workforce units will be of comparable size to market-rate units.

Workforce housing is generally housing that is affordable to households who earn no more than 80% of the area median income, or \$70,560 per year for a family of four and \$49,440 for an individual.

Does this transaction transfer ownership of land currently owned by Seattle Housing Authority?

Yes, the ownership of approximately three acres of land at Yesler Terrace will transfer to Vulcan Real Estate.

Did Seattle Housing Authority consider other offers for this land?

SHA received an unsolicited offer from Vulcan Real Estate and negotiated the terms and price in consultation with our outside real estate experts.

This is the second sale of land to fund the construction of low-income replacement housing at Yesler Terrace. The first was the sale of property at 12th and Yesler to Spectrum Development Solutions in September 2012 for the construction of the Anthem building. Anthem is due for completion in May 2015 and will add 120 units of workforce and market-rate housing to the mix at Yesler. SHA has engaged a broker to market approximately 4.4 acres of land for office development and is currently seeking a residential broker to handle additional residential land sales at Yesler.

Given that Seattle Housing expects to retain a residential broker to sell additional land, will Vulcan purchase more properties in Yesler Terrace?

Vulcan can offer to purchase additional land at Yesler once it is on the market.

Why are there different closing dates for each of the three blocks? Could the deal change?

Although there are three closing dates (one each per separate block), the terms of all three closings are established in the sale agreements and cannot change. There are three closing dates in order to allow Vulcan to build the properties and rent them up over a longer period of time, rather than trying to build and rent all units at once.

When will the first Vulcan units be ready for tenants? When will Spectrum Development Corporation's Anthem building be ready?

The first Vulcan building is expected to begin construction in early 2016 with completion by year-end 2017.

Anthem is projected to be complete 2015 and will have 120 units of new housing for a mix of incomes.

Are the requirements regarding workforce housing the same for both Spectrum's Anthem building and for Vulcan's new housing?

Seattle Housing made similar requirements for both Spectrum and Vulcan.

We've heard a lot about the shortage of affordable housing in Seattle. Will the revitalized Yesler Terrace help alleviate this problem, or is it too big to be handled by one project alone?

Yes it will help, and yes the problem is too big to be solved by just one project. The original public housing at Yesler is at the end of its useful life. The old infrastructure and buildings are failing and inefficient. Seattle Housing's investment in the community will extend the useful life of the original 561 extremely low income units for another 70 years. Additionally, the redevelopment will include approximately 290 additional units of affordable housing and hundreds of units of workforce housing.

The redevelopment of Yesler will make some progress toward meeting Seattle's critical need by creating new affordable units and extending the life of the existing units well into the future.