



Yesler Terrace

Response to questions from the Seattle Displacement Coalition regarding replacement units and financing at Yesler Terrace

1. Exactly how many traditional "public housing units" serving the broad spectrum of public housing eligible households (whose incomes are at or below 30 percent of median) do you intend to replace on the current 28-acre Yesler Terrace site as opposed to off-site? The EIS says 490 but we want to confirm that still is the case.

We intend to build all 561 replacement units on the current site or within the immediate neighborhood – which we define as within two blocks. We intend to distribute the low-income housing equitably across the site. At this point, the Final EIS specifies that we will replace 490 on the current site. Any change in this pattern would require additional environmental review.

2. Can you assure us that none of these 490 on site will be created either in partnership with the nonprofits or for-profits and that no housing levy, state 9 percent tax credits, state trust funds or some other existing state or local source will be tapped to pay all or a portion of the cost of building them?

We expect to partner with nonprofit developers to produce some portion of this housing. In fact, in order to renew Yesler's obsolescent housing, we will need to work in partnership with the whole community. Federal resources have dwindled to the point that there are no resources exclusive to the Seattle Housing Authority that can be used for this purpose. While federal money built this housing originally, there is no federal money to replace it now. HOPE VI and other current HUD programs will replace only a fraction of existing housing.

So far, community members across a broad spectrum of government, nonprofits and other stakeholders have indicated a general willingness to accept community responsibility for the renewal of Yesler Terrace.

3. And can you then give us some idea of exactly how these 490 will be funded? Will they be "internally funded from proceeds accompanying the redevelopment itself and/or what other revenue streams if any?

We expect they will be funded through a combination of proceeds from land sales, low-income tax credits, and other city, state and federal resources, as available.

Will the 490 be under your control/ownership or owned/managed under some other relationship such as via a limited partnership or some other entity on land own by that entity?

To the extent that we use low-income tax credits, the housing will be managed by us as the general partner with formal ownership by a limited partner. We are currently involved in 15 such limited partnerships across our housing and the process has worked very smoothly. The one exception to this is the restrictions placed on subsidy for households made up exclusively of full-time students – a statutory requirement we are working to change.

We anticipate that some of the 561 replacement units will be built and managed by non-profit partners using Project Based Housing Choice Vouchers as the source of operating subsidy with long-term affordability agreements in place, as we have done at our other communities. Often, these nonprofits are able to offer a different mix of services and/or provide special expertise to better serve low-income residents with special needs. The YWCA, SCIDPDA, Interim, Catholic Housing Services and CADA are examples of nonprofits who serve low-income populations in the Yesler area. In general, we have taken the approach that if we can continue to increase the number of low-income residents effectively housed, it is not important whether the housing is owned by the Housing Authority or by others.

If so will those properties revert to your control down the road (meaning are you the general partner)?

Yes, the Low-income tax credit properties revert to our control, generally in 12 – 15 years. For example, this past year, full ownership of Phase I of NewHolly reverted to us.

Will they remain in perpetuity or at least 50 years serving public housing eligible households?

In order to be counted as replacement housing, a unit must be available to households with incomes below 30 percent of AMI, and must be guaranteed to remain available to those households for at least 40 years. This actually is the same as for units in the Low Income Public Housing Programs. It also fulfills Seattle Housing Authority's local preferences that specifically target public housing of all kinds to households earning less than 30 percent of AMI. HUD requires that the LIPH program serve households under 80 percent of AMI. On the other hand, HUD requires that 75 percent of the households served by the Housing Choice Voucher program have incomes less than 30 percent of AMI.

4. Also, how many projects and how many units that are not “public housing” (but very low income housing serving those at or below 30 percent of median) do you intend to put on the existing site (the current 28 acres site again)? These would be units serving those at 30 percent of median but with different eligibility requirements that effectively serve populations other than the broad spectrum of public housing eligible households such as senior only, disabled, congregate care or simply units with rules and restrictions other than public housing rules. Would any of these be made available to families with kids with incomes below 30% of AMI? What will your contribution be towards creation of these units and paid for from what revenue source? (Given that I'm assuming you'll offer the land “at a reduced rate” and some vouchers – what effectively is the value of this contribution towards creation of these units?)

Our commitment is to provide 661 units of healthy, modern housing serving households earning less than 30 percent of AMI, serving the needs of Yesler Terrace residents for many years to come. We will explore a variety of options, including housing that specifically serves seniors, housing that serves larger families and housing that serves disabled people. These groups are currently present at Yesler Terrace. We expect to continue to serve a similar demographic profile to the one that exists there now. We hope to use a variety of Federal sources for construction of publically subsidized low-income housing including, for example, Section 202 that serves seniors and Section 811 that serves people with disabilities.

It is Seattle Housing Authority's local preferences that specifically target public housing of all kinds to households earning less than 30 percent of AMI.

Regarding your last question about our contribution toward creation of these units and from what revenue source would they be financed, it is difficult to provide specifics. We would be happy to arrange a meeting between you and our financial consultant to provide more background. Essentially, we expect to use the revenue generated from the sale of property to finance the low-income housing, along with tax credit equity and whatever federal, state and local sources can be made available. We then expect to be able to subsidize the operation of the housing on an ongoing basis with traditional HUD operating subsidies.

5. Regarding the 70 "public housing" units that will be built off-site and at the Urban League Site, we'd like to confirm that these 70 will indeed be offered to public housing eligible households, the broad spectrum including families or are they units serving other populations such as senior only? In addition to the value of the land the Urban League will bring to the table, what other revenue sources will be tapped to pay for the creation of these 70 off-site units? What will SHA's contribution be to their creation and from what funding sources? Will any housing levy, state 9 percent tax credits or state trust funds be tapped to build them? Will you use some Housing Choice money for them and how much? If the Urban League site falls through, where else would you build these 70 units and do you have a fall back plan to fund that, from what funding sources will you pay for them and where will you get the land?

All units identified as replacement housing will serve households earning less than 30 percent AMI, whether they are located on the current site or in the immediate neighborhood. The sources of funding are the same for all replacement units although the specific mix of funding sources will be developed for each phase. The sources are listed above and there is no distinction between sources we might use for on site or off site replacement housing. It is too soon to be this specific about the number and location of potential senior, disabled or family units that will be built on the current site.

While we have had discussions with the Urban League about purchasing this property, there are no plans to do so at this point. If the Urban League site is not available or suitable, these units could be built on the King County site.

6. We have heard there was talk of placing as many as two senior housing projects on site? Is this the case and if so, how many units are we looking at, how will these be funded and what income group will be served? If any senior housing units/projects are built on site or projects for special needs groups, can you assure the Council that these will NOT count towards replacement of any of the 561 public housing units you remove on the current site?

Our goal in developing replacement housing is to build housing that best suits the needs of Yesler Terrace's current and future residents. This includes building replacement housing that serves the particular needs of seniors, people with disabilities and families. While we have not developed a specific plan for the number and type of housing serving seniors, for example, we definitely consider it a positive option. If built to serve low-income seniors, we would consider it as replacement housing, as was the case in our HOPVE VI communities. The Yesler Terrace replacement units will be in the same bedroom configuration as the current units as one way to make sure we continue to serve the diverse family composition that is served today.