

OH Ground Lease of Mt Baker UW Laundry Site Ordinance

Housing, Arts, & Civil Rights Committee

Andréa Akita, Interim Director

Jessica Gomez, Strategic Advisor



Vision & Mission

Vision

Everyone has a healthy and affordable home.

Mission

We partner to create affordable housing by equitably investing to prevent displacement and increase opportunities for people to live in Seattle.



Proposed Legislation

- Authorize OH to execute a ground lease at the Mount Baker Redevelopment Site for Phase 1
- The ground lease between the City and developer would be for no more than 99 years
- Lease terms require development and operation of 239 units of affordable housing for low-income households and dedicated space for an early learning research facility

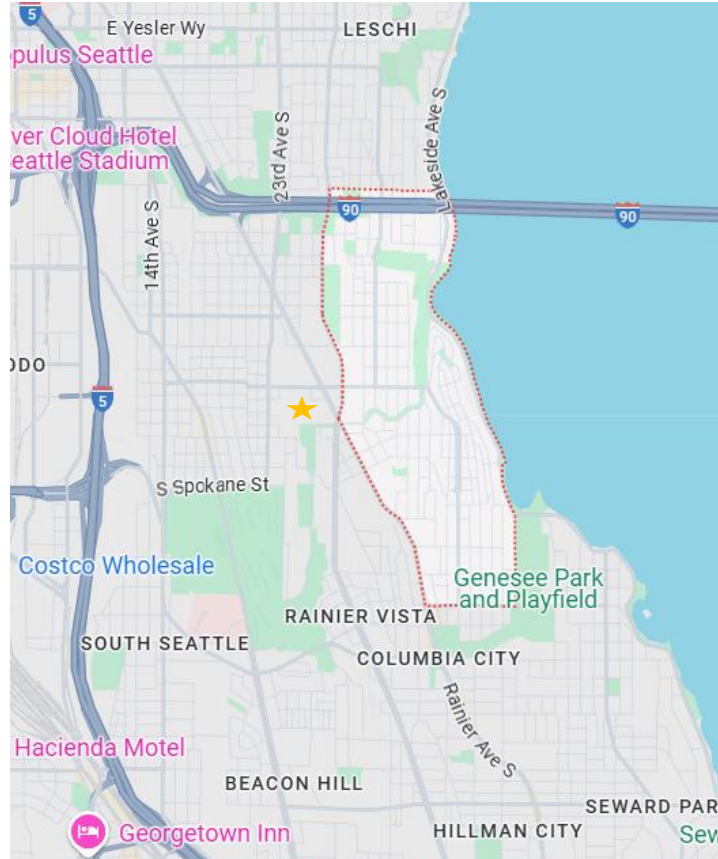


Project Timeline

- June 2020 - UW transfer of sites to City of Seattle
 - Uses: Affordable housing and education, research, and clinical uses, including early learning
 - Three parcels totaling 3.79 acres
- June 2023 – Request for Qualifications published
 - OH selects respondents to move onto Request for Proposals (RFP)
- October 2023 – RFP opens
- July 2024 – Developer designated
 - Mercy Housing Northwest and El Centro de la Raza
- June 2026 – Demolition begins
- October 2026 – Phase I construction begins



Project Location



Proposed Development



Phase I Project Overview

- Mercy Housing and El Centro de la Raza are developers
- 241 affordable apartments
 - Close to 60% of the apartments have 2, 3, or 4 bedrooms
 - 0-30% AMI are all family sized apartments
- Rainier Valley Early Learning Center owned and operated by UW on the ground and first floors
- Community Workforce Agreement requirements



Ground Lease Considerations

- Ground lease would allow for the land to stay in City ownership in perpetuity
- Developer would own and operate the development
 - Mercy Housing Northwest & El Centro de la Raza
 - Rainier Valley Early Learning Center of the University of Washington



Montlake Homes

Housing, Arts, & Civil Rights Committee

Andréa Akita, Interim Director

Joy Hunt, Affordable Homeownership Advisor



Proposed Legislation

- Authorizes OH to purchase of the Montlake Homes site from WSDOT for no more than \$6,050,000 for affordable housing development
- Places the property under the jurisdiction of OH, after purchase
- Authorizes OH to issue a competitive RFP to select a developer of 50+ permanently affordable homes
- Following the RFP, authorizes OH to transfer the site to the selected developer to construct and steward permanently affordable homes



Investments in Affordable Homeownership

- Prevent displacement.
- Foster security and neighborhood connections for families.
- Ensure essential workers can live in the communities they serve.
- Maintain affordability at resale for 50+ years.



Permanently Affordable Homeownership

- Eligibility below 80% AMI.
- Home prices aim to meet 65% AMI.
- To calculate price: 35% of pre-tax income used for housing cost.
- Housing cost includes principal, interest, property taxes, insurance, HOA dues, and stewardship fee.
- Current permanently affordable home prices for buyers: \$250-\$350K.



How Permanently Affordable Homeownership Works

HOME

- Homebuyer purchases home.
- Homeowner leases the land in a long-term, renewable lease.
- Homeowner agrees to sell homes at restricted prices.

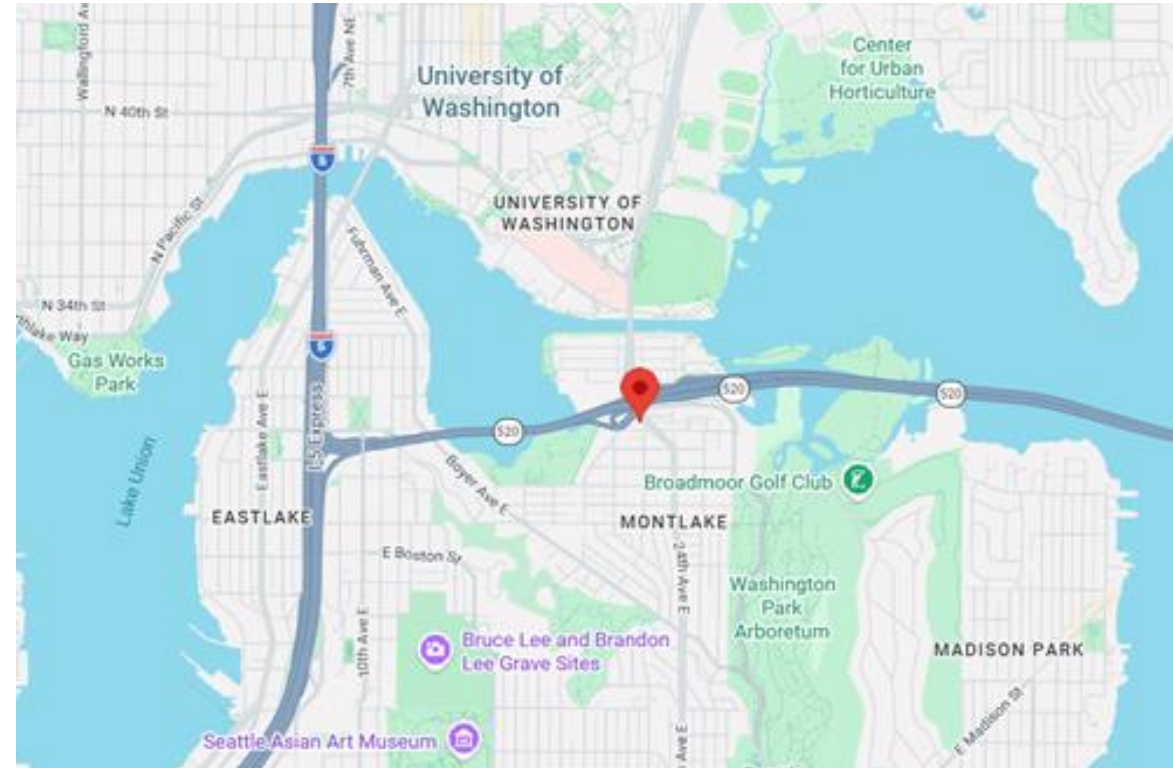
LAND

- Owned by a nonprofit.
- Nonprofit provides long-term stewardship.
- Ensures homes are sold at affordable prices to income eligible buyers in perpetuity.



Montlake Homes Opportunity

- 2625 East Montlake Place East
- WSDOT construction staging for SR 520
- Now vacant; considered surplus
- State legislature appropriated funds for OH to acquire site from WSDOT to develop at least 50 permanently affordable ownership homes
- WSDOT to lease site during predevelopment and permitting



Montlake Homes Site

- Amenity-rich neighborhood, without affordable homeownership
- NC-2 zoning anticipated
- RFP to encourage:
 - 50 homes with 2+ bedrooms for families
 - Trees/greenery between the homes and 520, as well as other green building and pollution mitigation strategies
 - Ground-floor commercial if feasible
 - Creative strategies to mitigate congestion



Harvey Apartments Transfer

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Joy Hunt, Affordable Homeownership Advisor



Proposed Legislation

Authorizes the Office of Housing to:

- Acquire two parcels in the Central Area for the purpose of developing affordable housing;
- Enter a settlement agreement and accept a deed to the Harvey Apartments in lieu of foreclosure;
- Purchase the parcel adjacent to the Harvey Apartments; and
- Conduct a competitive process for redevelopment of these properties for affordable housing.



Background

- Central Area Development Association (CADA) acquired the Harvey in 1999 and since that time has received over \$1.2 million in Office of Housing financing.
- CADA purchased the undeveloped parcel adjacent to the Harvey in 1999.
- The organization operated the Harvey until physical condition severely deteriorated. The building has been vacant since July 2025. All tenants have been relocated.
- CADA has been winding down operations and cannot pay off their OH debt.



Property Map: 2615 E Cherry Street



The parcels are in the Central Area at the corner of E. Cherry Street & 27th Avenue East

- Parcel A is the Harvey Apartments building
- Parcel B is the adjacent property

Future Redevelopment



The two parcels will be assembled into one development site



OH will engage with community for the equitable redevelopment of the site as affordable housing.



Request for Proposals will be released in 2027-2028.

Thank you

SEATTLE
CITY HALL

