Commercial Affordability Briefing
Community Wealth Building

Human Services, Labor & Economic Development Committee
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Community Wealth Building Strategies

Our team works to close **racial wealth gaps and interrupt displacement** through investments, partnerships, and policies that build community wealth.

Expand BIPOC **ownership & tenancy of commercial real estate;** Increase access to affordable capital; Build business support ecosystems and pathways for growth; Pilot scalable models that keep wealth in communities.

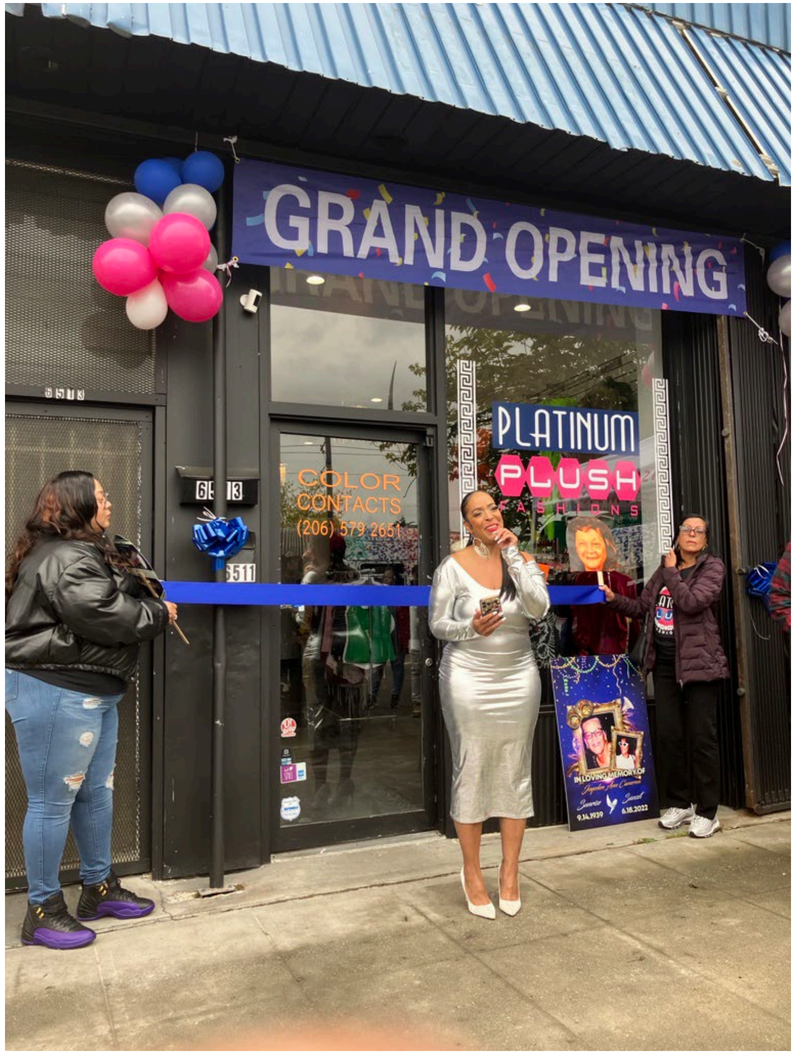
Our approach to economic development keeps wealth in our communities with an emphasis on **economic justice, shared wealth, and ownership of local assets**.

Commercial Affordability

Goal: Increase business ownership and tenancy of commercial space to anchor small businesses in our neighborhoods.

Outcomes:

- Stability through long-term leases/ ownership
- Increased profitability and generational wealth through business ownership
- Neighborhood vibrancy



Tiered Investments

ABC Program

Goal: Give small businesses expert advice for long-term growth.

Who: Businesses looking to expand or pivot operations.

Investment: Between $5,000 - $10,000

Commercial Space Consulting

Goal: Help businesses to navigate tenant improvements, or support landlord negotiations.

Who: Existing or prospective commercial tenants.

Investment: Between $5,000 - $15,000

Seattle Restored

Goal: Pilot storefronts for entrepreneurs while reducing vacancies.

Who: Businesses looking to test a new location or business concept in a retail space.

Investment: Between $15,000 - $20,000

Pre-lease Program

Goal: Fill vacancies with stable businesses ready for long-term operation, increasing retention rates.

Who: Businesses seeking new long-term lease locations.

Investment: Approx. $20,000

Capital Access Program

Goal: Increase access to affordable capital for historically underserved businesses.

Who: Businesses operating for 1+ years and in the market for financing.

Investment: Up to $30,000

Tenant Improvement Program

Goal: Provide equipment, signage, or construction awards to help businesses stabilize and grow.

Who: Businesses currently holding commercial leases of at least 5 years or more.

Investment: Up to $250,000

Business Community Ownership Fund

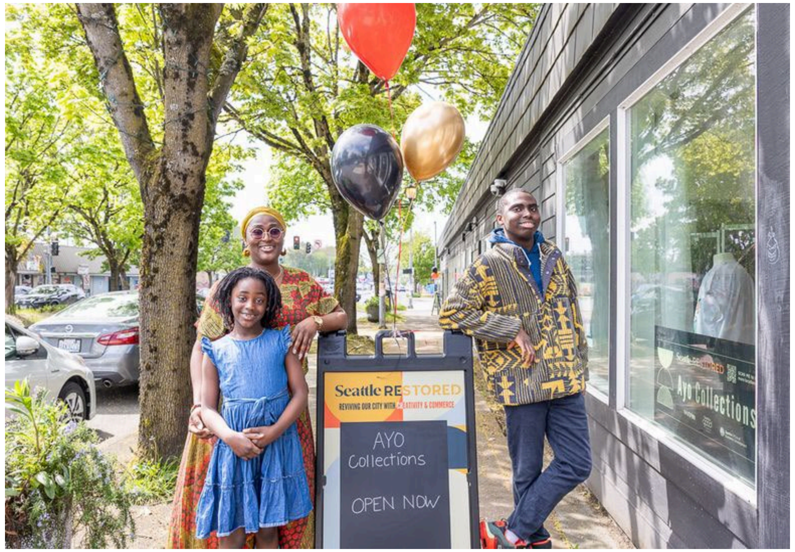
Goal: Anchor Businesses in neighborhoods (or provide pathways to return) with long-term affordability through ownership.

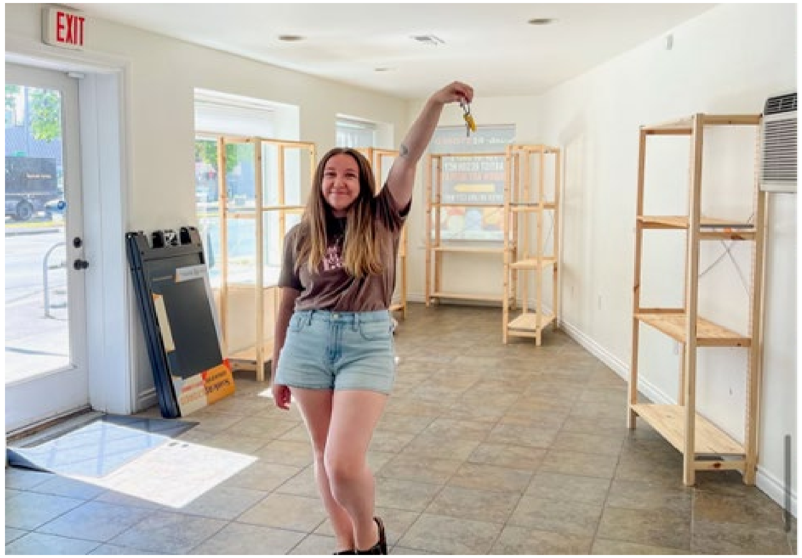
Who: Established businesses with stable operations looking to grow in their current or a new space.

Investment: Between $800,000 - $2 Million

Strategy Example: Lake City

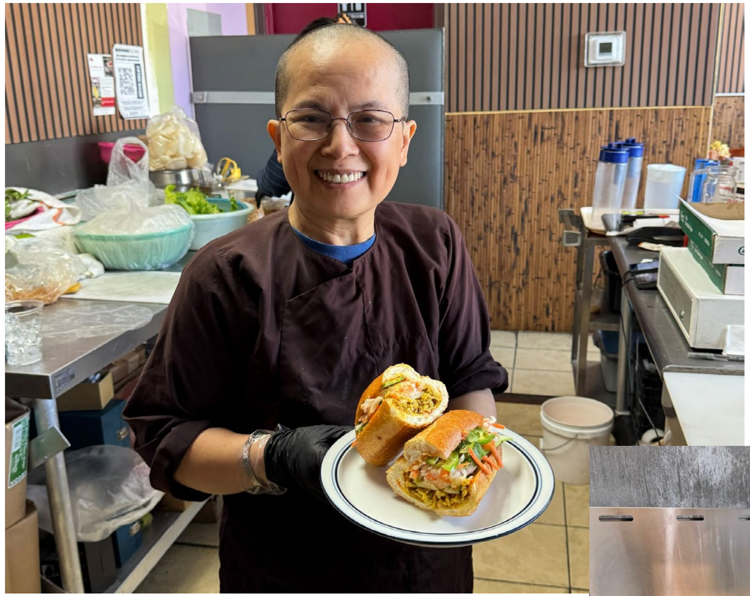
- In 2025, **Seattle Restored** launched its first neighborhood expansion in Lake City creating space for 24 businesses to pilot storefront locations and commercial kitchen space.
- After seeing a desire for businesses to stay in the neighborhood, the CWB team relaunched the **Pre-Lease Program** and leveraged **ABC consultants** get businesses lease-ready.
- Temporary activation to permanent neighborhood anchor via **BCOF,** creating an affordable space option for lease-ready businesses to stay in Lake City.
- The coyote central space unlocked more opportunities to collaborate with the neighborhood, leading to the launch of the Reuse Commons through **Seattle Restored.**

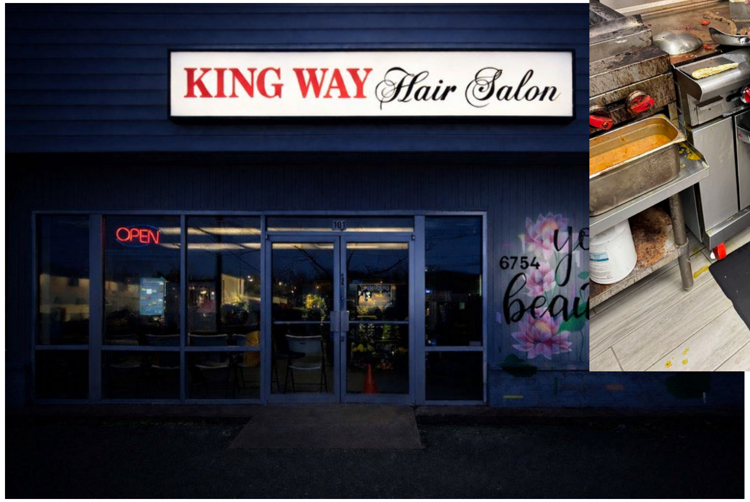


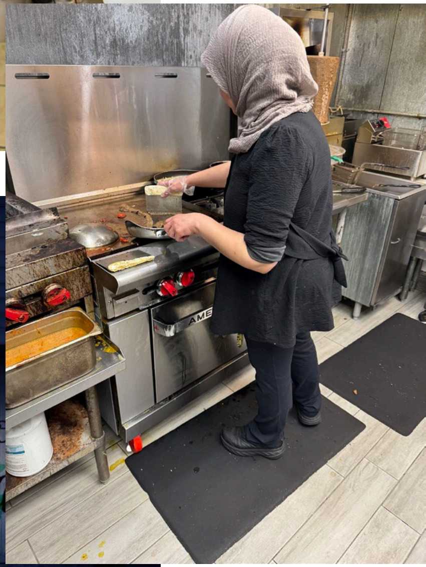


Strategy Example: Othello

- **Tenant Improvement** projects are heavily focused on Othello, with 14 completed over the course of the program since 2023 (and 4 2026 finalists) due to need. There are older commercial spaces and many legacy businesses with aging equipment in this area.
- **Commercial space consultants** have supported impactful lease negotiation issues that occur often in this area, especially around multi-tenant commercial spaces owned by smaller landlords.
- **BCOF** purchased two commercial spaces in Othello at Atrium Court which are now being matched with tenants
- Community lending partners help businesses get capital ready and access affordable financing via **ABC** and **Capital Access Program.**







Commercial Affordability Challenges

Rising commercial rents, escalating construction costs, and permitting complexity make it too expensive for many small businesses to enter a commercial space.

- Businesses invest all their capital into tenant improvements which can compromise the sustainability of their business.
- Lease education is a gap, and the complexity and fairness of commercial leases varies widely.
- Permitting change of use adds high cost of more work and time needed to make space usable.
- Costs continue to rise – insurance, wages, inflation, inventory – while revenue and customer behavior has not recovered to pre-pandemic levels.