

Harborview Medical Center Bond Project Housing Mitigation Approach Update

Over the past few months, staffs from King County and Harborview Medical Center have been evaluating alternative housing mitigation methods and projects. Using the criterion in the MIMP the team recommended 3 different approaches to the Mayor's Office.

1. **Subsidy Program:** The subsidy plan provided a \$1 million annuity to reduce market rate housing to the designated affordability rates for a 10 year period. In addition, the possibility of re-establishing Section 8 housing slated for expiration was also evaluated.
2. **Alternative Housing Development:** The team evaluated several "affordable" housing developments that could serve as a substitute to the DYS property project. Each of these projects is in the planning or early development stages. An evaluation was conducted of the project's viability and conformance to the MIMP conditions.
3. **Investment:** In lieu of the subsidy plan or finding an alternate housing development, the Harborview budget would be invested in an escrow account until such time that an acceptable project could be found.

Ultimately, the second approach was prioritized because finding an alternative housing development was believed to most closely fit the intent of the MIMP and meet the expectation of the neighborhood.

After reviewing several housing developments, a proposal to build 50, one-bedroom units for low-income seniors on First Hill presented the most viable program. The Cabrini Sisters Project, as titled would be located on the corner of Boren and Madison Street. The location is ideal for seniors as it is close to health care services and public transportation. Ground floor retail spaces will provide additional benefit to the community. The fewer number of units planned, (50 versus 64) can be offset by the longer term designation of affordable housing (50 years versus 10 years). The project meets other DCLU objectives such as located within the designated vicinity.

At this time, Harborview Medical Center will submit a request for a Minor Amendment to the MIMP outlining a revised plan for meeting the housing mitigation requirement. The Minor Amendment is an administrative process requiring review and approval by the Director of DCLU. In summary, the amendment will request the following.

The Director may approve less than one-for-one replacement of housing units if the affordability tenure of the proposed units exceeds the current 10 year designation. The Director will waive the requirement that replacement housing be constructed prior to demolition of existing housing units. The Director will require that a contribution of \$1.5 million be made by Harborview to a City/County escrow account to be used to facilitate the development of affordable housing mitigation under this MIMP. A viable project has been identified, however, if the current project does not proceed as agreed to in the timeframe set by the applicant and DCLU such funds may be utilized by the City, as deemed appropriate, to satisfy replacement housing on First Hill. Harborview's housing mitigation requirements will be completely satisfied by meeting the aforementioned terms.

This Harborview Board of Trustees and the Bond Project Oversight Committee recommend this plan. This plan is further supported by key City Council members and the Mayor's Office.