

## ANTHEM ON 12TH | YESLER TERRACE | SEATTLE, WASHINGTON

\$21,112,200 | FHA 221(D)(4) | 4.85%



### PROPERTY DESCRIPTION:

Yesler Terrace is a 30-acre publicly subsidized housing community owned and operated by Seattle Housing Authority. Located on the southern slope of First Hill, it is adjacent to downtown, Harborview Medical Center, the International District and Seattle University. Built from 1941 to 1943, the community is among Seattle's most diverse but economically challenged neighborhoods.

HUD has awarded two Choice Neighborhood Grants totaling \$30 million to the Seattle Housing Authority to aide in this redevelopment. Estimated cost to complete revitalization of the entire area is \$300 million.

### CHALLENGES:

Anthem on 12th will be the first privately financed property to be constructed in the Yesler Terrace Redevelopment area. It will contain 120 units with 25% of the units restricted to tenants whose income does not exceed 80% of area median. Due to this covenant (which was required by the Seattle Housing Authority as the seller of the land), the Developer chose to voluntarily restrict the rents of 20% of the units to 50% of adjusted median income.

Meeting HUD's definition of affordability enabled us to underwrite the project at a 115% debt cover and cost ratio as opposed to 120% for market rate and a reduction in MIP from 60 basis points to 45 bp. Additionally, the property received a Seattle Multifamily Property Tax Exemption which provided a 12 year abatement of real estate taxes attributable to the residential component of the property.

### OPPORTUNITIES:

There will be 2 units of commercial space on the ground floor of approximately 2,000 sf per space. One is expected to be occupied by an established Ethiopian restaurant (Saba) which will relocate from across the street with the other unit expected to be leased either the Seattle Housing Authority and NeighborCare Health both of whom have indicated strong interest in taking this space as either office or clinic space.

### DEAL ODDITIES:

This was the first time we were able to include Canadian citizens as principals who did not have US Social Security numbers. HUD processed the 2530s utilizing Canadian ID numbers!

The U.S. is in the midst of a broad housing insecurity crisis that is affecting nearly 19 million low-income families who are homeless or paying more than half of their monthly income on housing. Enterprise's generational goal is to end housing insecurity, which means no more homelessness and no more families paying more than half of their income on housing. As part of the Enterprise family of companies, Bellwether Enterprise is committed to tapping its experience and nationwide network to help achieve this goal.