



Funding Sustainable Communities

Financial Tools for Brownfield & Infill
Redevelopment



RAINIER COURT
Senior and Family
Housing Redevelopment
Seattle, Washington
Pat Chemnick



Southeast Effective Development
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SEED (SouthEast Effective Development)

- Founded in 1975 is a community based non-profit (501C3)
- Mission: improve the quality of life in Southeast Seattle by creating partnerships and serving as a catalyst for community investments in housing, arts and culture, and economic development.
- Current Assets: 900 units of housing in 9 buildings; art gallery; cultural center; 20,000 square feet commercial space.

Project Site in 2000



Elements of Development



- Land Assembly
- “Uncertainties” of Environmental Cleanup
- Scarcity of financial resources for “risky” development

Acquisition Financing Partners

1996-2003 - \$ 9 million

- City of Seattle Office of Economic Development (CDBG grants and float loan)
- U. S. Department of Health & Human Services (OCS Grant)
- Impact Capital (LISC) predevelopment & acquisition bridge loan
- City of Seattle Office of Housing (multifamily Levy loan)
- Private Equity

Site Contamination

- PCE
- PCB's
- Petroleum
- Metals
- PAH's



Unique Cleanup Remedy & Design

- Hurdles: fixed budget and 18-month construction deadline.
- Volatiles excavation.
- Use development as cap of non-volatiles.
- Vapor barrier.



Cost to Cure & Financing

- Phase I: \$960,000
(\$200,000 EPA Grant; \$760,000 construction financing)
- Phase II: \$650,000
(\$450,000 EPA revolving loan administered by State Commerce;
\$200,000 construction financing)
- Phase III: \$600,000 (est.)
(\$200,000 EPA Stimulus Grant;
\$400,000 construction financing & possible EPA loan)
- Phase IV : \$2,100,000 (est.)
(\$200,000 EPA Grant; possible combination of sources
including HUD 108 loan/BEDI grant; construction financing;
EPA revolving loan).



Development Planning & Cost

Rainier Court June 2004
Construction Phase I

Phase I (2004): The Courtland (\$24.5M)
288 units affordable senior housing
10,000 square feet commercial

Phase II (2005): The Dakota (\$26M)
178 units affordable family housing
9,000 square feet commercial

Phase III (2010): (\$18M)
88 units senior

Phase IV (2011): (\$45M, est)
100 units homeownership

Development Financing

Rental



- 9% low-income housing tax credits (LIHTC)
- Tax-exempt & Taxable bonds
- Tax credit investor equity
- Conventional bank loan
- Development partner equity
- Brownfield Redevelopment Loan

Development Financing

Homeownership



- Conventional Bank Financing
- City of Seattle Housing Levy (if renewed)
- LISC/NCDI funds
- Sale Proceeds

Rainier Court Phase III