

# Equitable Development: Financial Investment Strategy

June 2016



**Seattle**  
Office of Planning &  
Community Development

## Equitable Development: Financial Investment Strategy

The City of Seattle has set a high goal – an equitable city for all. In order to achieve this, the City must make systemic change to close racial disparities, and it must play a major role in supporting and championing community-driven equitable development investments to improve racial equity outcomes for the city and for communities at high risk of displacement and with low access to opportunities. Such community-driven projects incorporate the expertise of the communities who have borne the impacts of inequitable policies, programs and investments over the years.

The inequities that exist are a result of systemic racialized public and private disinvestment over generations. Reversing this pattern in a manner that improves racial equity will require the partnership of multiple agencies and institutions. The City of Seattle understands it is critical to have alignment among public sector partners such as educational institutions, city, county, state and federal governments; and private sector partners such as businesses, real estate developers, investors and lenders and philanthropy. [Executive Order 2014-02](#), Mayor Murray’s [2015](#) and [2016](#) State of the City addresses, and [Resolution 31577](#) provide clear vision and direction from Mayor and Council. The creation of the Office of Planning and Community Development (OPCD) and the re-implementation of the Mayor’s Capital Cabinet, which will coordinate longer-term infrastructure investments across the City, will provide the implementation mechanism. The City of Seattle is poised to lead this effort to achieve racial equity in the city, to make Seattle a diverse city in which everyone can reach their full potential regardless of race or means.

This document responds to City Council’s Statement of Legislative Intent 32-2-A-1. It identifies key initiatives the City is undertaking toward racial equity and provides a more detailed workplan for the community-driven Equitable Development Projects.

### Equitable Development Implementation

The City is committed to an equitable distribution of resources. In addition to applying an equity lens to the City’s entire budget (see [Equitable Development Implementation Plan](#) – Systemic Change to Eliminate Racial Inequities), OPCD was created to fully integrate planning among the City departments and to align the City’s work with race and social equity as a foundational value. OPCD also has 2 FTE staff specifically dedicated to lead, manage, monitor and implement the Equitable Development Implementation Plan in addition to others already working with an equitable development framework. These staff will deploy the Equitable Development Framework analysis across all City work including the City budget, build both the City’s and the community’s capacity for this work, support the Race and Social Equity Task Force, and bring about the partnerships and resources needed to develop these Equitable Development projects.

The City's race and social equity work falls into three categories: 1) driving the Equitable Development Initiative; 2) City-Initiated Equitable Development Strategies; and 3) Community-Initiated Equitable Development Strategies.

### Driving the Equitable Development Initiative

The City's commitment to coordinated implementation and institutional change to create racial equity and end institutionalized racism will extend to City departments' functional plans, budget priorities, and service and capital investments in communities. This will affect many departments, Capital Improvement Program budget prioritization process, and the overall City of Seattle budget. The proposed structure and actions have the potential to cause transformative change, both within City government and its community impacts. This will require the use of the Equitable Development Framework analysis for budget, policy, program, and investment decisions. This will require the City to embrace innovation, experimentation, learning, and ongoing improvement. OPCD, working closely with Seattle Office of Civil Rights (SOCR) will take the lead in developing, coordinating, building capacity both inside and outside the City, and implementing the Equitable Development Initiative.

### City-Initiated Equitable Development Strategies

The following are examples of current City-initiated strategies created to achieve equitable outcomes for marginalized populations citywide.

#### Housing Affordability and Livability Agenda (HALA)

In September 2014, the Mayor and City Council convened leaders in the city to help develop a bold new agenda for addressing the housing affordability crisis. The HALA Advisory Committee brought together diverse stakeholders comprised of renters and homeowners, for-profit and non-profit developers, social justice advocates, labor, environmental groups and local housing experts. After ten months of deliberation, the Advisory Committee published a report on July 13, 2015 containing sixty-five recommendations to be considered by the Mayor and City Council. The final recommendations form a comprehensive and multi-pronged strategy for addressing Seattle's housing affordability crisis. A number of these recommendations have or are currently in the process of being implemented. There are three main strategies that are aimed at creating an equitable, diverse and inclusive city. These strategies are 1) growing with affordability; 2) preservation, anti-displacement & equity, and 3) investing in housing for those most in need. The following recommendations provide specific details on how the city intends to increase the supply of affordable housing, preserve existing affordable housing, and provide tenant protections to prevent displacement:

- Mandatory Housing Affordability (MHA)

The City's goal is to create or preserve 20,000 affordable homes as part of a strategy to increase its housing supply by 50,000 homes over the next 10 years. The proposed MHA requirements are critical to this overall vision, because they will provide at least 6,000 of the 20,000 net new rent/income-restricted units for households with incomes no higher than 60% of median income. Affordable housing contributions will be required as commercial and multi-family

development occurs. This contribution can be met by including affordable housing within the development or paying into a fund that will be used to create affordable housing throughout the city. The payment and performance options each have unique benefits and are equally important to the success of MHA. With the performance option, a specified percentage of units in a multifamily residential building are ensured to be affordable; the affordable units will be comparable to the market-rate units in that development in terms of size, type (e.g. number of bedrooms), and lease terms. With the payment option, the MHA dollars are able to leverage other funds to create more units of affordable housing than with performance. Payment-funded housing achieves many racial and social justice goals such as increasing housing opportunities in all parts of the City, with strategic focus on addressing unique neighborhood needs (e.g. preservation in areas where displacement risk is high; housing for families with children), and building in locations near transit and other key amenities.

- **Seattle Housing Levy**

This local property tax levy has been approved five times by Seattle voters and expires at the end of 2016. For 30 years, the Seattle Housing Levy has created affordable housing with services to support at-risk families, seniors and people with disabilities, provided rental assistance to prevent homelessness, and preserved housing to prevent displacement of long-term residents. Seattle has funded over 12,500 affordable homes throughout the city, provided loans to help over 900 house-holds purchase their first home, and provided emergency rental assistance to 6,500 households at risk of eviction and homelessness. Levy-funded housing provides affordable rents for 50 years or more. A levy renewal proposal will appear on the August 2016 ballot.

- **Strengthen Tenant Protections**

There are ten recommendations in the HALA report that address tenants' rights. In 2015, the City implemented recommendations related to strengthening the existing Tenant Relocation Assistance Ordinance, passed a new law requiring property owners to give the City and Seattle Housing Authority notice of a potential sale of an affordable multifamily building, and provide funding to increase tenant and landlord education. In the first half of 2016, the Mayor is proposing legislation to expand protection for low-income tenants who receive assistance (e.g. SSI, Social Security, child support) from non-profit or government sources by amending the Open Housing Ordinance. This legislation is aimed at preventing discrimination based on the tenant's use of a subsidy or verifiable alternative source of income.

### **\$15 Minimum Wage**

Shortly after taking office, Mayor Murray formed the Income Inequality Advisory Committee to address a cornerstone priority of an opportunity agenda: a meaningful increase in the compensation for Seattle workers. The committee, which represented broad and diverse perspectives, was charged with delivering an actionable set of recommendations for increasing the minimum wage within the city of Seattle. The new minimum wage legislation passed by Seattle City Council and signed into law by Mayor

Murray provides for an increase in the minimum wage in the City of Seattle to \$15 an hour, phased in over time, beginning April 2015.

### Preschool for All

In September 2013, the Seattle City Council unanimously passed its Preschool for All Resolution (Resolution 31478), endorsing voluntary, high-quality preschool for all 3- and 4-year-olds. The ultimate goal of this program is to offer every family the opportunity to enroll their children in a preschool program that will provide strong support for each child's learning and development in partnership with parents and caregivers. This will better prepare Seattle's children to succeed in school and enhance equal opportunity for later life success.<sup>i</sup>

### Equity and Environment Agenda

Mayor Murray brought together community leaders to develop this Agenda, ensuring that those most affected by environmental inequities would lead in creating the program. The Agenda is a blueprint for advancing racial justice in the City's environmental work, and partners with the environmental community and philanthropy.

### Voter-Approved Infrastructure Funding

The resources made available through the Seattle Metropolitan Parks District and the Move Seattle transportation levy also provide opportunities to make strategic infrastructure investments to support the City's equitable development work. With an Equitable Development Framework analysis, targeted transportation and parks investments, such as pedestrian enhancements, upgrades in transit infrastructure, upgrades to existing parks facilities, or development of new parks can be made in high displacement risk / low access to opportunity neighborhoods to serve the needs of marginalized populations and to leverage private investments for community-driven equitable development projects.

### Community-Initiated Equitable Development Projects

Equitable Development Projects are community-driven strategies created through an inclusive community engagement process. Current Equitable Development Projects are prioritized in three neighborhoods with high levels of chronic and recent displacement risk as well as a history of disinvestment. They are community-driven priorities to mitigate further displacement and increase access to opportunity.

The three priority neighborhoods, the Central Area, Chinatown/International District and Southeast Seattle, share a richness of culture, identity and history in part created by a history of racial covenants and racial discrimination that existed broadly in Seattle from 1926-1968.<sup>ii</sup> As a result of these policies and practices, people of color were not able to live or even visit where they desired. These racially discriminatory practices that restricted people of color to lease, purchase or even occupy property in a very limited number of neighborhoods created tight districts that included the critical structures of a complete community. Homes, goods and services, cultural venues, and places of worship were generally all located here. As a result, these neighborhoods are clearly identifiable centers with intact social networks for their cultural communities and are still central to these communities, even if the

people themselves have moved, or been displaced, out. At the same time, the history of redlining has left these communities under-resourced and ill-prepared to thrive in our aggressive economy. Disinvestment in infrastructure, underperforming schools, and restrictions on commercial and residential lending have left a lasting imprint on these neighborhoods and their people.

As regional real estate values continue to rise, the central location and affordability of these neighborhoods makes them desirable even as they are still home to many of those that are least able to withstand the pressures of residential, commercial and community displacement.

Community leaders, community-based organizations, and agency and philanthropic partners are all committed to strategic partnerships to leverage collective resources and invest in these community-sourced strategies. The specific Equity Drivers informing these strategies are both determined by the community and through an assessment of the specific deficits in the Equity Analysis base indicators that plague each neighborhood.

The Race and Social Equity Task Force is comprised of community leaders from each of these three neighborhoods and brings its expertise to bear on the City's race and social equity work. It has shaped the Comprehensive Plan, the Growth Strategy and the Equitable Development Implementation Plan. It is also charged with overseeing the implementation of these Equitable Development Projects.

The projects described below are currently underway, in various stages of planning and feasibility testing. They have acquired various federal, state and local funding for the work thus far. Further work is needed to identify appropriate public and private partners (developers, funders/investors/lenders, owners, agencies, catalytic businesses, etc.) and to develop full financial strategies for implementation.

The City is supportive of the community initiated projects described below, and will dedicate staff resources in OPCD and other departments to help with staffing support, facilitation, and consultation expertise. The City encourages the community groups involved in these projects to continue working with local and regional community partners, including non-profit organizations, private companies, and other governmental jurisdictions that can help bring these diverse set of projects to fruition. To help leverage outside investments in support of these projects, the Executive is exploring options for City funds – for example dedicating some share of the revenue generated from the sale of certain surplus properties – that could be used to establish a fund for community-driven equitable development projects.

## **Rainier Beach and Othello Community:**

### Priority Equity Drivers

- D1. Advance economic mobility and opportunity
- D2. Prevent residential, commercial and cultural displacement
- D3. Build on local cultural assets

### Neighborhood Context

- Very high Risk of Displacement (Rainier Beach = 32.7, Othello = 29.1, citywide range = 8-32.7)
- Very low Access to Opportunity (Rainier Beach = 14.9, Othello = 16.4, citywide range = 10-35.4)
- 88% people of color, historic race covenants, historic redlining
- [Link light rail](#) (2009)
- [Othello Neighborhood Plan Update \(2010\)](#), [Urban Design Framework](#) & [Rezone \(2011\)](#)
- [Rainier Beach Neighborhood Plan Update \(2012\)](#), [Urban Design Framework and Development Concepts for Station Area](#)

Southeast Seattle has long welcomed people regardless of racial backgrounds. In fact, it is held up as a model for a healthy community by Sheryll Cashin, clerk for Supreme Court Justice Thurgood Marshall and urban and economic policy advisor in the Clinton White House, for its long-standing racial, cultural, and economic diversity.<sup>iii</sup>

The 98118 zip code in Southeast Seattle is one of the nation's most diverse zip codes. However, the real estate pressures of the last two decades pushing from north to south, exacerbated by the opening of Link Light Rail, have had an impact on Southeast Seattle. Columbia City has seen a decrease of 23.5% in people of color in the last decade. Othello is beginning to feel this pressure and even Rainier Beach is beginning to see real estate development and land transactions. As of 2010, Rainier Beach is 87.3% people of color and has been home to African American families who moved from the Central Area as well as immigrants and refugees arriving in our region. It has some of the city's most affordable real estate, and is at the city's southern boundary. Without mitigation, it is likely that over time these neighborhoods will see a transformation similar to the Central Area and Columbia City. As communities are displaced out of Othello and Rainier Beach, it is likely that they will leave Seattle and their cultural networks, and the city will lose the rich cultural and entrepreneurial benefits they contribute to our city.

In spite of these pressures, the community is engaged and active. They have fully participated in updating their neighborhood plans, formed action teams and coalitions to further their priorities, and have built leadership within their communities. A Communities of Opportunity grant is just one example. The Multicultural Community Center, Rainier Beach Action Coalition, On Board Othello and South Communities Organizing for Racial/Regional Equity came together to successfully obtain a Communities of Opportunity grant that supports their work and helps them build a coalition to effectively achieve the partnerships needed to complete their projects. The communities asked

HomeSight to support their work and to manage this grant. Communities of Opportunity is a partnership between King County and The Seattle Foundation that focuses on place-based work to build community capacity to improve health, social, racial, and economic equity; and identify systems and policy changes to improve equity throughout the region. This three-year grant (\$150,000 / year) was awarded in 2015 with the possibility of extension, significant on-going support, and possible capital funds.

In addition, this community's commitment and leadership was recently rewarded with other successful grants such as the Wells Fargo Regional Planning Grant (\$100,000) and a Kresge Grant (\$75,000); and the opening of the Rainier Beach Food and Farm Hub in September 2015.

The Equity Analysis data of this area indicate that the schools underperform, there is limited access to education and employment, educational attainment is lower, and poverty is higher. In summary, the pathways to successful employment do not exist for the marginalized populations here. As a result, it is among the city's lowest access to opportunity and highest risk of displacement.

The community intimately understands these dynamics and has prioritized the following two projects to help achieve its goals:

- The Rainier Beach Innovation District (RBID): a strategy to bring in high quality jobs coupled with education and training so that those who are now closed out can fully participate in the region's economic growth.
- The Multicultural Community Center (MCC): a stable future for the cultural anchor that provides support, reinforcement and cultural preservation for the area's immigrant and refugee communities.

In addition, government agencies and institutional partners (Impact Capital, SkillUp Washington, Impact Capital, Speaker of the House Frank Chopp, and State Senator Pramila Jayapal) have prioritized:

- The SouthEast Economic Opportunity Center (SEEOC): an education, training and services hub.

These three Equitable Development Projects are described in more detail below.

## ➤ Rainier Beach Innovation District (RBID)

“Rainier Beach is motivated to find ways to help the neighborhood’s youth to have educational and job opportunities they can grow with. By working to ensure that all aspects of the neighborhood reflect the community as a whole, Rainier Beach children can see models of success, and understand the path to realizing their aspirations.”<sup>iv</sup> The RBID is an equitable transit-oriented development (TOD) strategy based on employment, education, and entrepreneurship and is an anti-displacement strategy for a high-risk neighborhood in the midst of land speculation. The community would like a TOD strategy tailored to the community, rather than the more traditional TOD, which they describe as “high cost housing over low wage jobs.” RBID will bring to the neighborhood new jobs, aligned with education, training, and business entrepreneurial support to create pathways to livable wage employment and business opportunities for its youth and residents so they can fully participate in the economic growth of the region. The RBID is a priority of the 2012 Rainier Beach Neighborhood Plan, builds on existing assets and has been a community focus since it was conceived. The City has provided staff support as well as preliminary consultant studies.

The RBID will house a network of businesses that may include a food processing facility, commissary kitchen, food hub, business incubator, and production kitchen as a catalyst for a more robust business sector node at the Rainier Beach light rail station area, as well as educational and training facilities. It builds on community assets, including neighborhood diversity, cultural anchor institutions (Ethiopian, Somali, Oromo community centers), a unique location at the intersection of manufacturing and residential, an entrepreneurial spirit, existing urban agriculture and food-based businesses, and access to regional transportation.

### Work Completed or Underway:

- Leadership
  - The Rainier Beach Action Coalition continues to lead on this project as they have since 2012. They are coordinating with the Race and Social Equity Task Force, [South Communities Organizing for Racial/Regional Equity](#) (SCORE), and [Got Green](#)
- Partnerships
  - Communities of Opportunity (COO): The RBID is a priority project of the Southeast Seattle COO grant
  - Private: The RBID has the interest of philanthropy and the possibility of attracting capital funds and on-going support contingent on City leadership’s demonstrated commitment to the community’s vision.
- Leverage:
  - The RBID could be scaled up to be a producer/provider for [anchor institutions](#) such as the local hospitals, educational institutions, and foundations as part of a public benefit procurement agreement tied to major institution master plans.
  - Ladders of Opportunity: The American Communities Trust just completed a [national best practices scan and case study](#) for the City of Seattle that shows Food Innovation Centers are

being created in low-income neighborhoods to create jobs that provide residents with the potential to move up the economic ladder.

- Feasibility
  - Jonathan Rose Companies completed [A Development Strategy Study for the Rainier Beach Innovation District](#) and provided information incorporated in [Rainier Beach Food Innovation District](#)
- Site Control:
  - Forterra, a local non-profit land conservation, stewardship and community building organization, has identified the RBID as a prospective investment area for its land acquisition fund.

<b>Rainier Beach Innovation District</b> Next Steps – support, coordinate, implement	Resources
<p><b>City Role</b> (and tasks below are indicated in red font)</p> <ul style="list-style-type: none"> <li>• Designate a RBID Project Manager to elevate this project with City leadership, convene and support project partnership of community, education, philanthropy to implement and support community leadership on this project. (OPCD)</li> <li>• Adopt the updated Rainier Beach Neighborhood Plan by resolution. The community was awarded a grant contingent on this action. (OPCD, MO, COUNCIL)</li> <li>• Rezone to support employment, education/training and entrepreneurship (OPCD)</li> </ul>	<p><b>Private Partnership</b></p> <p>The RBID has the interest of local and national philanthropy and the possibility of attracting significant capacity building, capital funds and on-going support contingent on City leadership.</p>
<p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>• The Rainier Beach Action Coalition, is community led and continues to lead on this project.</li> </ul>	<p>COO currently supports community capacity to develop this project and provides consultant support</p>
<p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>• Create and lead the RBID partnership with full complement of educational and training programs, business sectors, philanthropy, investors, operator, and real estate developer needed to bring this project to fruition. (OPCD)</li> <li>• Strengthen City partnership with Communities of Opportunity (COO). With City leadership in this project, COO may be able to leverage on-going operating support and capital investments for this project.</li> </ul>	<p>COO, with demonstrated City leadership in this project, may be able to leverage</p> <ul style="list-style-type: none"> <li>• Potential on-going operating support (up to \$3M/year)</li> <li>• Potential capital investor/funder</li> </ul>

<p><b>Leverage</b></p> <ul style="list-style-type: none"> <li>• Create partnership with educational agencies and businesses similar to the <a href="#">Green Bronx Machine</a> to leverage education, food and agriculture together to grow the youth in this neighborhood. (OPCD, DEEL, OED)</li> <li>• Seek potential partnerships with <a href="#">anchor institutions</a> to create a business model that can make this project feasible and provide additional public benefit. (OPCD, OSE, OED)</li> <li>• Coordinate with American Communities Trust to present <a href="#">report</a> to City leadership, potential partners and community stakeholders. (OPCD, OED, OSE)</li> <li>• Work with Othello and Rainier Beach communities to create a plan that builds on and coordinates the existing neighborhood plans and catalyzes the COO work. (HomeSight)</li> </ul>	<p>OPCD: \$30,000 (2015 budget)</p> <p>Wells Fargo Regional Foundation Planning Grant: \$100,000 contingent on approval of the Rainier Beach Neighborhood Plan, can lead to an Implementation Grant (May 2016)</p>
<p><b>Feasibility</b></p> <ul style="list-style-type: none"> <li>• Community asset study and concept level business feasibility study (RBAC)</li> <li>• Complete a business gap study to identify the missing infrastructure links in the food production chain, identify catalytic business partner, and determine project feasibility needs (OPCD, OED, OSE).</li> </ul>	<p>Kresge Foundation: \$75,000 to RBAC for this work (May 2016)</p> <p>Unfunded: \$50,000-\$75,000 est.</p>
<p><b>Site Control</b></p> <ul style="list-style-type: none"> <li>• Work with project partners to identify key potential sites and negotiate for site control before real estate escalation puts this project out of reach (OPCD)</li> <li>• Coordinate with Forterra to inform deployment of their land acquisition fund, including identifying strategic properties that could address community plan goals and linking Forterra to community-based organizations in need of access to real estate to advance their organizational objectives. (OPCD)</li> </ul>	<p>Forterra has indicated an interest in this community and this project, and may be a source for site acquisition funds.</p>

## ➤ **Multicultural Community Center**

From the early days of the neighborhood planning update process, which started in 2009, the immigrant and refugee communities in Southeast Seattle prioritized the creation of a shared multicultural community center (Rainier Beach, Othello, North Beacon Hill, North Rainier) as a critical component for community stability.

Each cultural community is served by an organization that strengthens cultural identity and is critical to its well-being. These organizations are cultural anchors that help hold a community in place while the pressures of displacement bear down, and yet they themselves are subject to displacement pressures. The remarkable fact that these communities, many of whom have a history of tensions and war with one another, explicitly decided to work together to create a shared facility was significant. In 2012 the MCC was supported through Community Cornerstones, a Seattle program funded by HUD's Sustainable Communities Initiative, as a major component of a coordinated anti-displacement effort. The City has also allocated \$50,000 for a shared capital campaign consultant.

Twelve community-based organizations have come together to create the MCC by networking their collective space for shared use. They are engaged in a shared capital campaign to support the organizations that own as well as creating new shared space for those that currently rent. They anticipate that the shared facility will be co-located with the SouthEast Economic Opportunity Center (see below).

### **Work Completed or Underway:**

- Leadership:
  - The MCC has paid staff and consultant support
- Partnerships:
  - Communities of Opportunity (COO): The MCC is part of the Southeast Seattle COO grant.
- Leverage:
  - Work is underway to incorporate the MCC in the SouthEast Economic Opportunity Center (SEEOC) at Othello. The MCC will be able to serve as a bridge between their community members and the services of the SEEOC.
- Site Control:
  - It is likely to be a component of the SouthEast Economic Opportunity Center (see below)

<p><b>Multicultural Community Center</b></p> <p>Next Steps – support, coordinate, implement</p>	<p>Resources</p>
<p><b>City Role</b> (and tasks below are indicated in red font)</p> <ul style="list-style-type: none"> <li>• Continue to support MCC and HomeSight to create longevity for a very important community anchor for the City’s immigrant and refugee communities</li> </ul>	<p>Community Cornerstones: The MCC successfully deployed \$300,000 from the Sustainable Communities Initiative through HUD (2012-2015)</p>
<p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>• MCC continues to lead this work with paid staff and technical support from HomeSight</li> </ul>	<p>COO currently supports community capacity to develop this project and provides consultant support</p>
<p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>• Coordinate with COO to seek opportunities for support and leverage to maximize impact (OPCD, OED)</li> <li>• Coordinate with the SEEOC to incorporate the MCC within the SEEOC campus</li> <li>• Coordinate with the Rainier Valley Corp to strengthen the capacity of the individual organizations.</li> </ul>	
<p><b>Feasibility</b></p> <ul style="list-style-type: none"> <li>• Develop shared programming and shared grants to improve the capacity of the MCC to support their communities</li> <li>• Support MCCs work to create a shared capital campaign (OPCD)</li> </ul>	<p>OPCD: \$50,000 (2016 budget)</p>
<p><b>Leverage</b></p> <ul style="list-style-type: none"> <li>• Support MCC being incorporated within the SEEOC as this will improve SEEOC effectiveness as well as support for MCC community members.</li> </ul>	
<p><b>Site Control</b></p> <ul style="list-style-type: none"> <li>• Support successful site negotiations between SEEOC and SHA for the site at the southwest corner of S Holly St and MLK Jr Way S where the MCC will co-locate (OED)</li> <li>• City to coordinate with State to approve site and release site acquisition funds</li> <li>• Acquire site</li> </ul>	<p>See SEEOC Site Control description for additional resource information</p>

## ➤ **SouthEast Economic Opportunity Center (SEEOC)**

The SEEOC will be a culturally relevant and welcoming place located at Othello where people in SouthEast Seattle and beyond can access opportunities for higher education, good paying jobs, and support to start and keep a business. Integrating shared space for cultural organizations and workforce housing, the SEEOC will help stabilize communities at risk of displacement and engage diverse residents. It incorporates elements of the Othello Neighborhood Plan as well as other priorities identified by the community over the past 10 years, and it integrates them at a single site adjacent to the Othello Transit Station. The project was initiated and supported by nonprofit and political partners (Impact Capital, SkillUp Washington, Speaker of the House Chopp and State Senator Jayapal) and is now being co-designed with the community, with HomeSight as the developer. The State has allocated \$1.5M for site acquisition and the City has committed \$1.89M for a feasibility study and site acquisition through OED, and OED is providing staff support. The SEEOC and SHA are currently negotiating site acquisition terms for locating the facility within New Holly. A detailed feasibility plan will be completed by the end of 2016.

The SEEOC is being planned with the MCC as the “front door” and bridge between the community and the services within. The SEEOC services will include a post-secondary education hub connected to job development, small business assistance and entrepreneurship center, employment services and connection to jobs, affordable commercial space for neighborhood businesses and cultural organizations to stabilize service to the diverse residents of South Seattle, and affordable rental and rental-to-ownership housing to balance market rate and very low income projects already funded at Othello. Other elements such as a community health clinic, relocation of state social services and childcare may be considered through the feasibility plan process.

### **Work Completed or Underway:**

- **Leadership:**
  - HomeSight is project developer and is working closely with the community to make programming decisions and co-design the SEEOC. They are in the process of signing a Letter of Intent with SHA for the Othello Site and will complete a feasibility plan by the end of 2016.
- **Site Control:**
  - It is contemplated that the SEEOC will be located on SHA property in New Holly at the “Othello Site” at the southwest corner of S Othello and MLK Jr Way S.

<p><b>SouthEast Economic Opportunity Center</b>  Next Steps – support, coordinate, implement</p>	<p>Resources</p>
<p><b>City Role</b> (and tasks below are indicated in red font)</p> <ul style="list-style-type: none"> <li>• Support HomeSight and community effort (OED)</li> <li>• Support SEEOCs work to obtain site control and to release site acquisition funds in coordination with the State (OED)</li> <li>• Consider existing or future affordable housing resources; employ incentive programs to achieve feasible mixed-income housing. (OH)</li> </ul>	
<p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>• Continue work with the Rainier Beach / Othello communities to identify what would be most beneficial to the community. (HomeSight)</li> <li>• Form and lead the SEEOC partnership to bring potential services, programs, operator and funders to the table. (HomeSight)</li> </ul>	
<p><b>Feasibility</b></p> <ul style="list-style-type: none"> <li>• Complete an operational and financial feasibility plan. (HomeSight)</li> <li>• Determine the project program and complete a feasibility study to determine feasibility needs. (HomeSight)</li> </ul>	<p>OED: \$1.89M for feasibility study and site acquisition (2016)</p>
<p><b>Site Control</b></p> <ul style="list-style-type: none"> <li>• Support successful site negotiations between SEEOC and SHA for the site at the southwest corner of S Holly St and MLK Jr Way S (OED)</li> <li>• City to coordinate with State to approve site and release site acquisition funds</li> <li>• Acquire site (HomeSight)</li> </ul>	<p>State capital funds: \$1.5M for site acquisition</p> <p>OED: see above</p>

\*\*\*\*\*

## **Central Area (23<sup>rd</sup> and Union-Jackson):**

### Priority Equity Drivers:

- D1. Advance economic mobility and opportunity.
- D2. Prevent residential, commercial and cultural displacement.
- D3. Build on local cultural assets.

- High Risk of Displacement Risk (23<sup>rd</sup> and Union-Jackson = 22.7, citywide range = 8-32.7)
- High Access to Opportunity (23<sup>rd</sup> and Union-Jackson = 27.2, citywide range = 10-35.4)
- Heart of the African American community, historic race covenants, historic redlining
- Significant population change (1960: 54.4% Black, 28.5% White; 2010: 22.3% Black, 49.1% White<sup>v</sup>)
- 23rd Avenue Corridor Complete Streets Project started 2015
- Completed 23rd Avenue Action Plan (2014) and Urban Design Framework

The Central Area has experienced changes that cause anxiety, fragmentation and disappointment for some people while also generating excitement and expectation for others. The history of redlining created a largely Black neighborhood here, while policy decisions like urban renewal caused many of its residents to be displaced. And yet, the neighborhood is still a center for people of African descent. These changes can be seen in the demographics of the 23rd & Union-Jackson noted above. Currently it is a neighborhood attracting significant private and public investment. In spite of this richness, pathways remain limited for many of this community and the businesses and cultural anchors are experiencing extreme displacement pressures.

The community is engaged and fully participated in creating the 23<sup>rd</sup> Ave Action Plan (Union-Cherry – Jackson) and formed an 23<sup>rd</sup> Ave Action Community Team (ACT) to drive the implementation of the Action Plan. The ACT is comprised of community members representing the different interests and backgrounds that make the Central Area rich. In addition, with City support, there is a newly created Historic Central Area Arts and Cultural District, and the Central Area Collaborative. Finally, Africatown and the Black Community Impact Alliance are leading the development of the William Grose Center for Cultural Innovation.

## ➤ **William Grose Center for Cultural Innovation**

The William Grose Center for Cultural Innovation will be a hub for entrepreneurial resources to support cultural preservation and innovation in the creative economy and provide pathways to the creative industries for those who are currently excluded.

As described by the Black Community Impact Alliance, the William Grose Center for Cultural Innovation will be a “hub for the cultural innovation that is already taking place in that area. If the Central District has been home to past greats like Jimi Hendrix and Quincy Jones, then the future is looking just as creative. Imagine a team of two 12 year old founders using a sewing machine and 3D printer to design a hoodie that is laced with wearable technology, or a High School Senior stopping by The Center to get assistance from volunteer Amazon employees on creating an app for her band's new mixtape.

“In addition to young people who are "digital natives," local mom and pop businesses would be able to stop by The Center to learn about how they can add their handmade products to the Amazon marketplace online. [Hack the CD](#) has started the long term process of seeding some of the many ingredients needed to create a startup community in the Central District, because of its historic roots and influx of transplants of African descent. Ultimately, this ecosystem of intergenerational designers, entrepreneurs, and technologists will look like a symbiotic relationship between the community, small retailers service providers, and high growth ventures.”<sup>vi</sup>

Africatown, the Black Community Impact Alliance and the City are exploring the feasibility of locating the William Grose Center for Cultural Innovation in the old Fire Station 6 with support through OED, FAS and MO.

### **Work Completed or Underway:**

- Leadership
  - Community Driven and Coordinated: The Center grew out of Hack the CD, addresses 23<sup>rd</sup> Ave Union-Cherry-Jackson Action Plan priorities and its leadership is fully integrated in the ACT, the Historic Arts and Cultural District, and the Central Area Collaborative.
- Leverage
  - Larger Context: The Grose Center is coordinated with other community-driven redevelopment in the Central Area, such as the exploration underway at 23<sup>rd</sup> and Union to maximize collective impact.
- Site Control:
  - The City and Africatown/Black Community Impact Alliance are exploring the potential of the old Fire Station 6 as the site for the William Grose Center

<p><b>William Grose Center for Cultural Innovation</b>  Next Steps – support, coordinate, implement</p>	<p>Resources</p>
<p><b>City Role</b> (and tasks below are indicated in red font)</p> <ul style="list-style-type: none"> <li>• Continue to support Africatown/Black Community Impact Alliance in their efforts to create this hub for cultural innovation and entrepreneurial resources in the heart of the Central Area (MO, OED)</li> <li>• Move legislation forward that authorizes the rezone proposal studied, deliberated and recommended by the community (OPCD)</li> </ul>	
<p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>• Africatown and the Black Community Impact Alliance continue to lead this project and to coordinate with other community efforts in the Central Area and to align with the 23<sup>rd</sup> Ave Action Plan (Union-Cherry-Jackson)</li> </ul>	
<p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>• Create and support the William Grose Center partnership with full complement of programs, businesses, philanthropy, investors, operator and developer needed to bring this project to fruition. (Africatown/BCIA with support from OED, OA&amp;C)</li> </ul>	
<p><b>Leverage</b></p> <ul style="list-style-type: none"> <li>• The Grose Center will continue to coordinate with multiple planning discussions and community efforts underway at 23<sup>rd</sup> and Union to maximize collective impact toward the community’s vision. (Africatown/BCIA)</li> </ul>	
<p><b>Feasibility</b></p> <ul style="list-style-type: none"> <li>• Complete a business feasibility Study (OED)</li> </ul>	<p>OED: \$50,000 (2016 budget)</p>
<p><b>Site Control</b></p> <ul style="list-style-type: none"> <li>• Continue to support exploration of the use of the old Fire Station 6 as the site for the William Grose Center (MO, FAS)</li> </ul>	

\*\*\*\*\*

## **Chinatown / International District:**

### Priority Equity Drivers:

- D1. Advance economic mobility and opportunity.
- D2. Prevent residential, commercial and cultural displacement.
- D3. Build on local cultural assets.
- D5. Develop healthy and safe neighborhoods

- Very high Risk of Displacement (Chinatown-International District = 31.0, citywide range = 8-32.7)
- High Access to Opportunity (Chinatown-International District = 32.7, citywide range = 10-35.4)
- Heart of the Asian communities, historic exclusion acts, race covenants, redlining
- [First Hill Streetcar](#) completed in 2016
- Little Saigon planning currently underway to strengthen the business district’s cultural identity through place-making and minimize displacement from development pressure.

The Chinatown International District (CID) is one of Seattle’s oldest and most unique neighborhoods. Unlike other Chinatowns across the nation, the CID is a cultural center for many different Asian-Pacific Islander communities. Here you can find Chinese Americans, Japanese Americans, Filipino Americans, Vietnamese Americans, Korean Americans, Thai Americans, Laotian Americans, Cambodian Americans, Burmese Americans and other Asian Americans working and living together in one neighborhood.

As with both Southeast Seattle and the Central Area, the richness of the CID as the Asian business and cultural district and its place as the symbolic heart of the community are a result of historic racial covenants, and the parallel disinvestment driven by red-lining has left this culturally rich neighborhood economically poor and at high risk of displacement. The income of the average business owner in the district is 40% of area median income. The lower business revenue has a downstream impact on long-term maintenance of the buildings, many of which are within the International Special Review District and are unreinforced masonry with vacant residential upper floors. As a result, the cultural anchors of this neighborhood are subject to displacement pressures from re-development, through the potential high cost of life safety retrofits, or through the loss of existing buildings due to building failure whether catastrophic or through long-term disintegration. Land costs are rising quickly as a result of proposed new development (S Jackson at both 12<sup>th</sup> Ave S and at 10<sup>th</sup> Ave S), and the convenient location in the center of the city.

➤ **Little Saigon Landmark Project**

The Landmark Project will be a gathering place for the regional Vietnamese community in the Little Saigon business district. This will be accomplished by bringing together the district’s cultural, shopping, and culinary aspects in a distinctive physical anchor—the Landmark Project—located in the heart of Little Saigon.

The mixed-use Landmark Project will consist of a cultural center, Southeast Asian grocery, Emerald Night Market, and restaurant as its main components. With the support of Seattle Housing Levy funds, affordable housing will also be included to accommodate the region’s growing Vietnamese population. This project has the support of the Seattle Housing Authority and the City has funded a preliminary feasibility study. Each component of the development will reflect Vietnamese Americans’ rich culture, history, and future.

**Work Completed or Underway:**

- Leadership:
  - Friends of Little Saigon is driving this project with the support of Seattle Chinatown International District Preservation and Development Authority
- Partnership
  - Strong vision and program for this project created through collaboration with neighborhood businesses, a non-profit developer and housing affordability provider, and community
- Feasibility:
  - Feasibility analysis complete and project is feasible; however real estate values are rising rapidly
- Site Control:
  - Friends of Little Saigon have identified a site and are in negotiations with the property owner.

<p><b>Little Saigon Landmark Project</b></p> <p>Next Steps – support, coordinate, implement</p>	<p>Resources</p>
<p><b>City Role</b> (and tasks below are indicated in red font)</p> <ul style="list-style-type: none"> <li>• Provide permitting technical assistance and coordination when project is ready. (SDCI)</li> <li>• Consider existing or future affordable housing resources; employ incentive programs to achieve feasible mixed-income housing. (OH)</li> </ul>	
<p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>• Friends of Little Saigon, with SCIDpda support, will continue to develop the Landmark Project to fulfill community objectives</li> </ul>	
<p><b>Partnerships – develop / expand</b></p> <ul style="list-style-type: none"> <li>• SCIDpda will continue to support Friends of Little Saigon on this project</li> </ul>	
<p><b>Site Control</b></p> <ul style="list-style-type: none"> <li>• Site Control: Secure immediately. Land values are rising quickly as a result of development proposals on S Jackson St at both 10<sup>th</sup> Ave S and 12<sup>th</sup> Ave S (SCIDpda)</li> <li>• Work with FLS/SCIDpda to secure site acquisition financing quickly (OED, OH)</li> <li>• Close on property (SCIDpda)</li> </ul>	<p>Secure site acquisition financing</p>
<p><b>Feasibility / Development</b></p> <ul style="list-style-type: none"> <li>• Complete design development and project feasibility (FLS/SCIDpda)</li> <li>• Complete design and permitting (FLS/SCIDpda)</li> <li>• Support FLS/SCIDpda to secure development and permanent financing (OED, OH)</li> <li>• Close on financing (SCIDpda)</li> <li>• Start construction</li> </ul>	<p>OED: \$40,000 to Friends of Little Saigon for preliminary feasibility study (completed)</p> <p>SHA: \$100K for preliminary feasibility study (completed)</p> <p>Secure development financing Secure permanent financing</p>

➤ **Equity Transfer Development Rights (TDR) for Affordable Commercial Space**

As an anti-displacement mitigation strategy, the City is working with the community to assess the feasibility of a new TDR program (the Equity TDR) that is structured specifically to allow property owners to sell development rights in low market neighborhoods to property owners in high market neighborhoods, as a market rate real estate transaction. In return for the opportunity to participate in this program, the selling property owner is required to provide affordable commercial space to eligible businesses for a pre-determined period of time. The Equity TDR will be explored and potentially piloted in Chinatown / International District / Little Saigon to create long-term affordable commercial space for those businesses that are so critical for this neighborhood.

The intent of this program is to create a revenue source for long-term stability for culturally based commercial districts that are at risk of displacement. The businesses and cultural anchors are vital for the stability of the communities they serve and can also create living wage career path jobs with pathways for marginalized communities to access these new jobs.

**Work Completed or Underway:**

- Leadership:
  - Council has contracted with SCIDpda and its subcontractor team to provide the business district, community development and real estate expertise needed. OPCD is providing support and TDR policy expertise

<p><b>Equitable Transfer of Development Rights</b></p> <p>Next Steps – support, coordinate, implement</p>	<p>Resources</p>
<p><b>City Role</b> (and tasks below are indicated in red font)</p> <ul style="list-style-type: none"> <li>Support consultant team (SCIDpda as prime) to determine if this is a feasible mechanism to create resources for equitable development purposes such as affordable commercial space in Chinatown / International District, including Little Saigon. (Council, OPCD, OED)</li> </ul>	
<p><b>Leverage</b></p> <ul style="list-style-type: none"> <li>Seek a mechanism that leverages private development in active market areas to provide public benefit in improving market neighborhoods (Council, OPCD, OED)</li> </ul>	
<p><b>Feasibility</b></p> <ul style="list-style-type: none"> <li>Complete feasibility study to determine if there is market demand, if revenues provide enough public benefit to warrant creating a new program, and to create program recommendations for definitions of affordable commercial rents, business eligibility, costs to manage the affordable commercial space over the long term (Council, OPCD, OED)</li> <li>If feasible, create the legislation and necessary infrastructure to pilot the program in Chinatown/International District/Little Saigon for the purpose of supporting the culturally specific businesses that define this neighborhood and serve as cultural anchors for their communities (Council, OPCD, OED)</li> </ul>	<p>Council: \$40,000 for feasibility study (underway, 2016)</p>

\*\*\*\*\*

➤ **Race and Social Equity Task Force**

Finally, in order to successfully eliminate institutional racism and achieve racial equity, it is imperative to incorporate the expertise of those communities who have borne the burden of racial inequities. These community leaders are intimately familiar with both the burdens as well as necessary solutions. For this reason, OPCD and SOCR have brought together and supported the Race and Social Equity Task Force. They are community leaders from three neighborhoods experiencing very high risk of displacement: The Central Area, Chinatown/International District and Southeast Seattle. Leadership infrastructure has existed in each of these areas, but working across neighborhood boundaries specifically to improve racial equity is new. The Race and Social Equity Task Force has collectively provided their expertise to help shape the Comprehensive Plan, Growth Strategy, and Equitable Development Implementation Plan. They will also continue involvement with the Annual Equitable Development Monitoring Report, and with implementation of the Equitable Development Projects that have been identified to decrease risk of displacement and increase access to opportunity – to improve racial equity and create a city in which everyone can thrive regardless of race or means.

<p><b>Race and Social Equity Task Force</b> Next Steps – support, coordinate, implement</p>	<p>Resources</p>
<p><b>City Role</b> (and tasks below are indicated in red font)</p> <ul style="list-style-type: none"> <li>Continue to provide staff and capacity support to the Race and Social Equity Task Force.</li> </ul>	<p>SOCR: \$50,000 (2016)</p>
<p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>The Race and Social Equity Task Force informs the City’s Race and Social Equity work, including the Annual Equitable Development Monitoring Report, and drives the Equitable Development Projects.</li> </ul>	

## Conclusion

Quoted from Mayor Ed Murray:

“We see inequities in how we experience growth – between those who benefit from it and those displaced by it. We see inequities in prosperity – between those who can afford to live here and those being pushed out. I believe that as we grow, our City must ensure that we become a more livable and sustainable city.

I ask you to join me in holding this bold vision for our future:

*Seattle is a diverse city where all people are able to achieve their full potential regardless of race or means. Seattle’s neighborhoods will be diverse and will include the community anchors, supports, goods, services and amenities people need to lead healthy lives and flourish.<sup>vii</sup>*

I ask you to join me as we launch a different approach to these issues and restructure City government to meet our rapidly changing city. We will accommodate growth by placing without displacing. We will provide plans for how the City will invest to ensure our current communities continue to thrive; and in places like Rainier Beach, where the unemployment rate is three times the city rate, we must plan for growth in jobs as we plan for growth in population.

I ask you to join me in doing the work to achieve our bold vision:

- to fully integrate our Race and Social Equity Goals and Policies into departmental work plans and priorities
- to use an Equity Analysis to inform City policy, programs, investments
- to use our Equitable Development Framework to create strong communities and people, and great places with equitable access to housing, jobs, and neighborhood services and amenities
- to use a race and social equity lens to drive systemic change
- to make targeted place-based community driven investments to support community stability and economic mobility in high displacement risk, low access to opportunity areas; and finally
- to create the structures and expertise we need to hold this work as a priority now and into the future

I ask you to join with me in the work laid out here in this document. It is urgent that we do this work together and that we do it now. I fear that if we wait too long, we will lose our history and will lose our soul. The question today is the same as a half a century ago: Will we move towards greater polarization or will we attempt, as Dr. King urged us, to understand, comprehend, and approach this great divide with compassion and love?

I ask you to join me on this journey to achieve a racially and socially equitable Seattle.”<sup>viii</sup>

---

<sup>i</sup> Seattle Preschool Program Action Plan: A blueprint for narrowing the opportunity and achievement gap. Proposed by Mayor Ed Murray

<sup>ii</sup> Seattle Civil Rights & Labor History Project, University of Washington

<sup>iii</sup> Cashin, Sheryll. *The Failures of Integration: How Race and Class Are Undermining the American Dream*. New York: Public Affairs, 2004.

<sup>iv</sup> Rainier Beach Neighborhood Plan Update, March 9, 2012

<sup>v</sup> "Segregation Maps." Seattle Civil Rights & Labor History Project.

[http://depts.washington.edu/civilr/maps\\_neighborhoods.htm](http://depts.washington.edu/civilr/maps_neighborhoods.htm)

<sup>vi</sup> [William Grose Center for Cultural Innovation](#)

<sup>vii</sup> Resolution 31577

<sup>viii</sup> "Letter from the Mayor", *Equitable Development Implementation Plan*, April 2016