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Partnership to Build 235-Plus Affordable Apartments in Bellevue

John Stearns

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The building site south of downtown. Courtesy of SRM, DASH.

Local real estate company SRM and local nonprofit housing developer DASH (Downtown Action to Save Housing), with help from Microsoft Corp., today announced a partnership to build more than 235 affordable apartment units south of downtown Bellevue.

The units would serve households earning between 50 percent and 100 percent of area median income (AMI). The building site, 4.5 acres along Interstate 405 and near a future light rail stop, includes a partially completed 150-unit hotel that would be converted to 100 housing units, and another building with 135 units, according to a news release.

SRM acquired the site and, with DASH, will work jointly on entitlement changes, permitting, and construction. The site, at 991 118th Ave SE, is already entitled and permitted for two buildings.

DASH, an affiliate of Bellevue-based non-profit Transforming Age, provides workforce, family, and senior housing close to the city's downtown core, where there is close access to transit, work, and services. Of its 800 affordable housing units, 272 are in Bellevue's downtown and Wilburton neighborhoods and house nearly 500 people.

"Securing the property would not have been possible without Microsoft's involvement through a \$25 million loan via their very innovative Expanded Land Acquisition Program (ELAP) administered by the Washington State Housing Finance Commission (WSHFC)," Chris Buchanan, director of real estate development at DASH, said in the release. "The extremely competitive real estate market in Bellevue meant that for this deal to work, we needed financing that could come together very quickly — the ELAP loan allows affordable housing developers to bring in cost-effective capital, ensuring project costs stay low and better leverages public dollars for the permanent financing."

SRM specializes in multifamily, senior housing, affordable, and mixed-use development and construction in urban markets across the West. In addition to this project, SRM's new affordable housing division has more than 800 homes in the pipeline over the next two to three years and continues to seek partnerships for the projects.

"Bellevue is one of the most competitive real estate markets in the country right now," Conor Hansen, SRM's affordable housing director, said in a statement. "Creating new affordable units in Bellevue, at a variety of income levels, is extremely challenging. It requires creative, intentional deals like this one. We could not have brought this deal together without Microsoft's partnership and commitment to affordable housing on the Eastside."

Jane Broom, senior director of Microsoft Philanthropies, said securing the property was a major hurdle to clear toward the overall goal of additional affordable housing in the region.

“This work is only possible due to the engagement and diligence of many public, private, and nonprofit partners to pursue new avenues to ensure responsible and equitable growth on the Eastside,” said Broom, who provided an update in January on progress Microsoft has made on its broader Affordable Housing Initiative to commit \$750 million in housing grants and investments to tackle the region’s housing and homelessness issue.

The two Bellevue projects announced today include:

- 991 West, with 135 units of one- and two-bedroom workforce apartments for residents earning 80 percent to 100 percent of AMI. The construction is slated to start this summer and conclude in late-2023; and
- 991 East, a half-constructed 150-unit hotel that would require new zoning to convert to multifamily use. This process would reconfigure the design to 100 one-, two-, and three-bedroom affordable apartments for lease to residents earning below 60 percent of AMI. This building could be completed in late-2024.

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John Stearns is a staff writer.