

SRM Advances on 135-Unit Workforce Multifamily Project Near Downtown Bellevue

July 6, 2023

Project Includes Financing Through Microsoft's Affordable Housing Initiative, Which Ensures Long-Term Affordable Rents

July 5, 2023 – Bellevue, Wash. – Local developer SRM today announced it has closed a \$38 million construction loan on Nuovo, the first phase of a two-part multifamily housing project that will add hundreds of new below-market housing units in downtown Bellevue near light rail. Every unit in the two-building deal will feature apartment homes at below-market rents, and thanks to participation from Microsoft's Affordable Housing Initiative, will be built without utilizing public funding.

Located at 991 118th Ave SE, the 4.55-acre site is programmed for two buildings. The first phase of the project will include a five-story building and 135 units of one- and two-bedroom workforce apartments for residents earning 80%-100% AMI. Construction financing is being provided by Washington Trust Bank and construction is slated to start later this month. Once construction is complete, SRM will transfer the building to a qualified non-profit housing operator to preserve long-term affordable rents.

"Below-market multifamily projects in a great location like this are extremely rare and challenging to execute. Bellevue is Washington's highest cost market for housing and therefore rental homes in this affordable category are in dire need." said Conor Hansen, SRM's Affordable Housing Principal. "This project will provide much-needed housing for Bellevue's workforce and would not be possible without Microsoft's ability to add flexible financing through its Affordable Housing Initiative. They are meeting gaps in the market that otherwise would not be fulfilled."

SRM is a privately-owned real estate company specializing in multi-family, senior housing, affordable, mixed-use development, and construction in urban markets across the western United States. In addition to this project, SRM has nearly 1,500 affordable apartments scheduled for delivery over the next three-to-five years in the Puget Sound. The firm will continue seeking out strategic collaborations for these important projects to ensure long term affordability.

"We are grateful for the collaboration with Microsoft to structure this deal," Hansen added. "It requires creativity, trust, vision and patience for this to all come together. It's very rewarding to reach this milestone."





"Creating this many housing units near downtown Bellevue and light rail is possible because of the ongoing engagement and diligence of many public, private, and non-profit housing supporters in Bellevue – including strong leadership from Mayor Robinson, the Bellevue City Council, and city staff team," said Microsoft Philanthropies Senior Director Jane Broom.

The second phase of the project, 991 East, currently contains a partially constructed 150-unit hotel, which is intended to be converted to housing for up to 200 1-, 2-, and 3-bedroom affordable apartments for lease to residents earning below 60% AMI.

In addition to this project's collaboration with Microsoft's Affordable Housing Initiative, SRM also worked with Amazon and the Urban League of Metropolitan Seattle late last year to preserve 354 units across six apartment buildings for affordable housing. The \$97 million dollar deal would not have been possible without project financing support from Amazon's Housing Equity Fund and the City of Seattle's Office of Housing, which creates the opportunity for long-term affordability for residents with low- and moderate-incomes.

About SRM Development. SRM Development is a privately owned real estate company, specializing in multifamily, senior housing, affordable, and mixed-use development and construction in high barrier, urban markets across the western United States. SRM directly manages all phases of the development process, including land acquisition and design, permit and entitlement, and project construction. Since 1999, SRM has developed or constructed, or has under development, projects totaling approximately 12,000,000 square feet, including over 8,300 residential units and approximately 1,600,000 square feet of commercial space. The principals of SRM have worked together for nearly two decades and have almost 100 aggregate years of experience in real estate investment, development, and construction. SRM's corporate office is in Spokane, Washington with an additional office located in Kirkland, Washington.





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