



# As rents soar, partners plan 1,000 workforce apartments

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Photo: Courtesy Weinstein AU



IMAGE 1 OF 24

This rendering shows the first project in the works from Spectrum Development and Laird Norton, an 80-unit building in Pioneer Square that will be but one piece of some 1,000 units of workforce housing the two companies are planning around the region.

While the city inches forward on plans to regulate its way to more affordable housing in Seattle, a partnership between two local firms is planning more than 1,000 units aimed squarely at middle-income earners.

Spectrum Development and Laird Norton officials said the two companies are gambling on the long game with plans to build several housing developments around the region that **would be priced for Seattle's middle class.**

Starting with an 80-unit project in Pioneer Square (in partnership with that building's owners), the companies plan to own the developments for at least 10 years, holding rents in a range that targets renters earning between 60 and 120 percent of median income.

**"All three parties are really focused on the long-term and providing housing that is going to be suitable for what we call the missing middle,"** said Gabriel Grant, a principal at Spectrum.

The first project, called the Canton Lofts and planned for the corner of Third Avenue South and South Washington Street, is just one piece of what Laird Norton CEO and President **Jeff Vincent called a “broader initiative.”**

Middle-income earners face a steep challenge in a city such as Seattle. Often earning too much money to qualify for truly low-**income housing, they don’t earn enough to afford most rentals that aren’t income-restricted.**

A recent report by the National Low Income Housing Coalition found that Seattleites need to earn \$24 an hour -- \$49,960 a year -- **to afford a “modest” one-bedroom apartment** (priced at \$1,249 per month). Figures from Zillow put the median one-bedroom rent at \$1,745 as recently as April.

Most of the rentals that have come online in the last five years (and many of those under construction now) are of the luxury stripe, priced at well over the median and aimed at higher-income earners. Often, the model for investors is to build the project and then almost immediately sell it off at a steep profit, Grant said.

Vincent and Grant said their proposals are indeed aimed at filling the gap of housing for middle-class residents, but they also expect to make money, though not overnight. **“We really believe in a ... long-term approach,” Grant said. “We feel that it’s not just the right thing to do for the community but also makes good business sense.”**

The Canton project, at least, will be built without the benefit of any tax credits but won't have a government-enforced income restriction. Instead, the rents and amenities will be aimed at the middle with the idea that the housing will fill a niche that's otherwise not being very well served in Seattle.

The city, for its part, is working on efforts to encourage more affordable housing through **programs proposed by Mayor Ed Murray’s Housing Affordability and Livability Agenda** committee, which released its recommendations nearly two years ago. As it happens, Grant worked on that committee and said he spent a great deal of time thinking about how to solve the affordability issues facing the city.

The Spectrum and Laird Norton partnership plans to build \$500 million worth of workforce housing in several developments around the region, but Grant and Vincent admitted they **won’t solve the affordability crisis alone. The city might take a cue from them, however,** Grant said.

**“I think what the city can learn is ... we’re not going to solve the affordability problem in Seattle without the combined effort of the nonprofit and for-profit sectors,” he said. “Whatever the city can do to encourage more supply of moderate-rate housing in close proximity to transit, the better we’re going to be as a city.”**