



December 27, 2023

Jemine A. Bryon  
Deputy Assistant Secretary, Office of Special Needs  
United States Office of Housing and Urban Development

Re: Fort Lawton Redevelopment Plan

Dear Deputy Assistant Secretary Bryon,

Thank you for your ongoing support regarding the Fort Lawton Army Reserve site. We are grateful for HUD's collaboration with the City of Seattle over the many years of planning regarding this site, including in partnership with several administrations predating mine. Following extensive consultation with our City departments and with outside consultants to comprehensively understand costs and challenges, we are seeking HUD's approval to move forward and advance an updated Fort Lawton Redevelopment Plan to increase the number of units built as part of this project.

Building up to five hundred units by optimizing existing approved zoning capacity, this new plan makes the most of the unique opportunity at this site, creates more needed housing, and increases economic feasibility of the overall project – better supporting our residents and improving the return on our significant investment.

This project is firmly aligned with our *One Seattle* values: A commitment to create a city where housing and opportunity are available and robust in every neighborhood for every person – with access to the jobs, schools, and supports needed to grow and succeed. This revision will further the City's historic efforts to build affordable housing in Seattle, ensure fair housing opportunities for all, and create diverse and well-rounded communities while preserving essential green space within our urban landscape.

As Mayor, I have directed my teams to address the dual crises of affordable housing access and homelessness with urgency and a total commitment to helping people move into culturally appropriate housing spaces with services and support. These housing solutions range from permanent supportive housing for our most vulnerable residents to affordable housing and homeownership options suitable for families with children who cannot afford skyrocketing prices in the housing market.

While we will significantly increase the number of housing units, we will fully maintain the originally proposed green spaces outlined in our 2019 Redevelopment Plan, representing more than two-thirds of the proposed development area. This will preserve and enhance 22 acres of park area, complementing neighboring Discovery Park – an unmatched gem of our city for natural and green space – and ensuring parkland is protected while the population continues to grow.

I have made this decision to request approval for a new affordable housing development plan at Fort Lawton because I know the opportunities this site offers are uniquely rare and valuable: Transforming 34 acres of undeveloped land into a new community for future generations, meaning more people have access to affordable housing, safe parks and green spaces, excellent public schools, and public transit.

Such a transformation requires extraordinary investments to achieve this vision. The investments exceed the capacities of a single city government, and we will call on the talents, time, and financial resources of all our partners – state government, federal agencies, housing developers, urban planners, and philanthropic institutions – to fulfill the promise the City made in 2006 to serve as the local redevelopment authority.

The City of Seattle continues to face serious economic challenges, as I have described in several letters to HUD during the past 18 months. Like every major American city, Seattle is still recovering from the economic fallout from the pandemic despite unprecedented federal financial support. The City is facing a projected budget deficit of up to \$251 million in 2025 that will need to be balanced in the upcoming budget cycle. The City's fiscal outlook has been exacerbated by a period of significant inflation of more than 6.5% that increased the City's operating costs, including labor.

Nonetheless, I remain optimistic about our ability to build affordable housing at Fort Lawton and throughout Seattle. Despite the real budget crisis we are working through, my administration has worked steadfastly to tackle the affordable housing crisis in Seattle. Our approach includes expediting housing production, streamlining permitting and record-low utility connection times, and historic investments to house the homeless and build affordable and accessible housing.

Our 2023 budget provided the largest investment in housing and homelessness in Seattle's history. Earlier this month, I signed a 2024 budget that allocates \$339 million to affordable housing – a 32% increase over the prior year's investment. Seattle voters have strongly demonstrated their commitment to affordable housing as well, supporting an overwhelming victory for our proposal for the City's largest ever seven-year housing levy. Seattle's taxpayers will contribute \$970 million dollars to build thousands of affordable housing units, support tenants facing eviction, and ensure social workers supporting the most vulnerable earn decent wages. And next year, we will advance further creative solutions to build more housing, including changes in our citywide zoning capacity.

In 2019, the City Council estimated the Fort Lawton Redevelopment Plan for affordable housing and infrastructure would cost about \$90 million. In the time since, cost estimates for housing and infrastructure at Fort Lawton have grown considerably – perhaps doubling or more – with per-unit costs for the 2019 Redevelopment Plan above average City-funded housing projects. In addition, the City does not currently have internal funding related to utilities or road infrastructure, but is seeking external sources of funding.

Following multiple cost analyses, our decision to seek HUD approval for a new redevelopment plan projects a revised total project cost of \$285 million with enough housing to bring the average cost per unit closer to traditional project averages. Currently, the City has planned for approximately 40 percent of the costs related to housing construction and land. Below is an overview of the magnitude of the funding balance we need to address:

- Including development and land acquisition, the average cost of a housing unit is estimated at \$496,000 in 2024 dollars. The City has identified funding options at state and federal agencies that housing developers typically pursue to cover the housing construction-related costs.
- Utilities and road infrastructure costs are much more challenging to forecast. Currently, the City has no internal funding sources that may be used to build infrastructure on unimproved land. A number of variables impact the estimates, which range from an aggressively economical \$31 million to a more conservative \$105 million. I have instructed my staff to explore all external sources of funding with our state, federal, and philanthropic partners to build resilient infrastructure for this 34-acre site. Initial conversations with state partners indicate a willingness to work with the City to identify potential funding options for this specific housing project. Additionally, we will explore potential sources of City funding that may be used for some road infrastructure costs incurred in future years.
- The cost to acquire the land associated with housing construction is another significant dollar investment for the City; we are budgeting funds to meet that requirement.
- The City needs to perform an analysis of the costs associated with transforming the 22 acres of parkland into more accessible public spaces (including demolition of dilapidated buildings, construction of maintenance and restroom facilities, and other park amenities).

In terms of next steps, we request HUD's approval to amend the 2019 Redevelopment Plan to build up to 500 units of housing. Please see Attachment A for our anticipated timeline of the key upcoming milestones. We also welcome your thoughts on when HUD chooses to review the draft amendment, whether after the Supplemental EIS process or after City Council action. We are eager to move forward together and will begin drafting the amendment to the 2019 Redevelopment Plan in parallel with our ongoing discussions with HUD.

Assistance from HUD, the Department of Defense, United States Army, and Department of Veterans Affairs will be essential to the success of this project, including technical adjustments and cost-effective solutions related to land transfer, building demolition, infrastructure and more to reduce expenses and timelines. We look forward to your support and creative thinking in this regard.

Finally, the City will designate a Fort Lawton project manager to lead this redevelopment project and oversee the budget, workplan, schedules, deliverables, and coordinated efforts of city, state, federal, and private funding partners.

We are extremely grateful for HUD's extraordinary partnership and support for the City's efforts to redevelop Fort Lawton. This site plays an important role in the cultural identity and history of Seattle, dating back to 1898 when the City conveyed the original 703 acres to the U.S. Army. In the 1970s, United Indians of All Tribes Foundation peacefully occupied Fort Lawton, highlighting the significance of the land to tribal communities around the region. The peaceful occupation was resolved by all parties and led to the creation of the Daybreak Star Cultural Center adjacent to the Fort Lawton Redevelopment site. We are eager to engage with United Indians of All Tribes Foundation and local federally recognized Tribes to ensure the land incorporates tribal voices in the final redevelopment.

We are excited to work with you to build housing and create a healthy community for families and city residents in the Magnolia neighborhood. Thank you for your continued partnership and support for the Fort Lawton redevelopment.

Sincerely,

A handwritten signature in cursive script that reads "Bruce O. Harrell". The signature is written in dark ink and is positioned above the printed name and title.

Bruce Harrell  
City of Seattle Mayor

CC: Deputy Mayor Tiffany Washington, City of Seattle  
Director of Office of Housing Maiko Winkler-Chin, City of Seattle  
Director Gael Tarleton, City of Seattle Office of Intergovernmental Relations  
Deputy Regional Administrator Michael Look, Department of Housing and Urban  
Development

## **Attachment A: Fort Lawton Timeline**

This anticipated timeline includes the City’s proposed milestones to update the 2019 Redevelopment Plan and move forward on the amended plan, up until construction begins. Litigation or unanticipated issues could cause additional delays to this timeline.

January 2024	<ul style="list-style-type: none"><li>• City of Seattle engages developers on an amended plan.</li><li>• City begins making federal, state, local, and philanthropic funding requests.</li></ul>
January – March 2024	<ul style="list-style-type: none"><li>• City conducts massing study for the three housing sites.</li><li>• Pending HUD’s approval, Office of Housing develops and submits amendment for redevelopment plan.</li></ul>
March – December 2024	<ul style="list-style-type: none"><li>• Supplemental Environmental Impact Statement (SEIS) process, including (1) scoping SEIS with public participation, (2) draft SEIS with public comment period, and (3) final SEIS. We anticipate that this process could take up to ten months, depending on the feedback we receive from the public.</li><li>• Army begins NEPA analysis.</li><li>• Seattle City Council begins legislative review of updated redevelopment plan.</li></ul>
January – March 2025	<ul style="list-style-type: none"><li>• Seattle City Council reviews and approves updated redevelopment plan.</li></ul>
April – June 2025	<ul style="list-style-type: none"><li>• HUD approves final redevelopment plan as approved by City Council.</li><li>• City and Army prepare for disposition of homeless housing parcel.</li><li>• City begins predevelopment for homeless housing.</li><li>• City drafts and publishes request for proposal for infrastructure design and construction.</li></ul>
June – December 2025	<ul style="list-style-type: none"><li>• City begins infrastructure design and construction.</li></ul>