

As urban centers grow, the need for housing is increasing dramatically. Affordable housing arguably presents the greatest gap between supply and demand, and its incorporation in Vulcan Real Estate's market-rate projects is a high priority.

According to the April 2021 Market Rate Housing Needs and Supply Analysis, commissioned by Seattle, the city faces a shortage of nearly 21,000 rental units that are affordable and available to households earning 80 percent or less of the area median income (AMI). Demand for rental housing for these households is growing rapidly and continues to be underserved. No single tool will solve the affordability crisis, but replicable strategies exist that work to produce housing that can help change the current trajectory.

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In Seattle's Yesler Terrace community, for example, 20 percent of Vulcan's rental apartments are affordable to households earning 65 to 80 percent of AMI.

Completed in 2018 and 2019, Batik and Cypress, the company's first two projects at Yesler, are connected to the surrounding neighborhood and designed to bring neighbors and residents together, making it a place where people of all incomes, ages, and cultures are welcome. From the carefully selected artwork that celebrates diversity to the ground-level apartments with stoops, the community offers opportunities for residents of the 432 homes to interact within an immersive, multicultural environment.

A third project, Wayfarer, broke ground in early 2022 and will add 261 homes with a similar ratio of affordable units. A fourth site now in design will bring Vulcan's Yesler portfolio to more than 1,000 apartment units, including over 200 units of affordable rent- and income-restricted housing.

Immediately east of Seattle's central business district, Yesler Terrace was originally developed in the 1940s by the Seattle Housing Authority (SHA) as the city's first

publicly subsidized housing community. When the existing 561 low-income housing units were at the end of their useful life, SHA began to master plan the 30 acres (12 ha) as a mixed-income, transit-oriented neighborhood that would provide attractive new housing for residents across a broad range of incomes.

The Yesler Terrace Development Plan included upgrading neighborhood infrastructure, replacing dilapidated housing with new low-income apartments, and expanding the community to some 5,000 residential units. Vulcan was selected by SHA as the first private developer to invest at Yesler through its purchase of three sites in the master-planned community.

By overlaying a city program known as the Multifamily Tax Exemption (MFTE) Pro-