
Memorandum of Understanding
Community Priorities Regarding Liberty Bank Building Development

The founding of Liberty Bank was a key milestone for the progress of the African American community and provided key services from 1968 to 1988. Over the past two years, Capitol Hill Housing (CHH) has conducted extensive community outreach to find the best way to honor the history and cultural significance of Liberty Bank and memorialize it at the site. The redevelopment of Liberty Bank is an opportunity to advance the goals of affordability and anti-displacement in a rapidly changing landscape of a historically African American neighborhood. Our vision is to honor the legacy of Liberty Bank by leveraging the Liberty Bank site redevelopment for the maximum empowerment of the African American community that is being displaced from the CD/Seattle due to past policies and practices. This community goal has been reflected in the CHH Board Resolution #2015-10, citing “efforts that build African American community, culture, employment and education in the Central District”, the Mayor’s recent designation of Central Area Cultural Arts District, and economic development priorities identified by the Central Area Collaborative.

Africatown Preservation and Development Association (Africatown), The Black Community Impact Alliance (BCIA), CHH, and Centerstone, collectively “the Project Partners”, agree to work cooperatively in the development of the former Liberty Bank site in a manner that reflects the equitable development goals designed to address the displacement of historic African American community from Seattle’s Central Area.

Africatown Preservation and Development Association

The mission of the Africatown-Central District Preservation & Development Association is to honor, preserve, promote and develop the legacy and presence of Black Americans and newly arrived Africans in Seattle’s Central District as a vibrant community and unique urban experience.

Black Community Impact Alliance

The Black Community Impact Alliance (BCIA) is a group of cooperating organizations serving the Black Community in Western Washington. We make sure that taxpayer-funded initiatives and organizations that receive government money to work in the Black community are actually doing work to better the lives of Black children and families, particularly those with low income and the working poor. Our scope includes all elements impacting the well-being of the Black Community, such as: health, education, jobs, housing, technology, safety, art, criminal justice, economic development, and the environment. We empower the Black Community to create and own their future by educating themselves on how to access and manage resources in health, education, workforce, business creation and housing. The BCIA’s Planning & Strategy Advisory Committee presently includes representatives from: Village Spirit Center, Central Area Development Association, Gardner Global, olio design strategies, Hack the CD, Black Out WA, Africatown Central District Preservation and Development Coalition, Umoja PEACE Center, and First Place Schools, Inc.

Capitol Hill Housing

CHH is a community-based organization serving Seattle since 1976. With neighborhood residents and area businesses, CHH has sponsored numerous improvements in many communities while creating and preserving housing for low and moderate income people. Today, CHH owns and manages forty-eight buildings and over 1,400 units throughout Seattle. CHH has been active in the Central District for nearly thirty years and remains committed to its future. Some examples of our work include the Jefferson (1206 East Jefferson Street), El Nor (117 18th Avenue), Miller Park (2312 East John Street), and the Ponderosa (1602 18th Avenue), among others. Today CHH owns and operates 281 apartments in the Central District with 115 more planned with the Liberty Bank Building.

Centerstone

Centerstone is a Community Action Agency supporting the diverse neighborhoods of Seattle's Central District with a variety of services for those in poverty. Our agency recently celebrated its 50th Anniversary as part of the first generation of community-inspired organizations funded by the Economic Opportunity Act. Over the course of its history, Centerstone has been instrumental in combating poverty throughout Seattle, supporting basic needs and providing education and assistance to the community and beyond. Services such as energy assistance, housing support, food distribution, and financial education are provided for more than 20,000 individuals each year.

Commitment of the Project Partners

We are excited to formalize the commitments of Africatown, BCIA, CHH, and Centerstone in this countersigned document:

- 1) **Partnership with Centerstone:** CHH will continue to develop its partnership with Centerstone including the conveyance of a five percent (5%) non-managing equity stake in Capitol Hill Housing's .01% equity stake in Liberty Bank Building to commence after project conversion. This is a commitment to develop and secure long-term African-American ownership. Centerstone will have both a "right of first offer" and the "first right of refusal" to acquire Liberty Bank after the exit of the tax credit partner at year fifteen. Centerstone agrees to share this equity stake with Africatown including the potential conveyance of the ROFO and FROR.

CHH will create a financial model to estimate the future value of the property at year 15.

Any money raised through the capital campaign to support the development of the commercial space at LBB will count toward any future acquisition price.

It is the intent of the Partners to facilitate the acquisition of Liberty Bank Building under this clause at the minimum cost to the community partners.

- 2) **Affordable Commercial Space:** CHH will work with Centerstone, Africatown and BCIA to ensure the commercial space of the Liberty Bank project is designed and operated to prioritize affordability for small African American owned businesses which meet minimum leasing criteria. The minimum leasing criteria will be documented and agreed to by the Partners. This will include limiting the size of commercial units, coordinating rental with the Project Partners or other organizations that will provide support to the development of small African American owned businesses. This commitment is made with the understanding that the operation of the commercial space must be financially feasible. The Partners will work together to seek subsidy

as necessary to support this vision including resources needed to fund tenant improvements and operating subsidies.

The partners will work together to explore different condominium and ownership structures for the commercial space including but not limited to: condoing each unit separately, condoing the entire commercial area as one unit to a master tenant, or creating a rent-to-own arrangement with individual commercial tenants.

- 3) **Help Build Black-Owned Business:** The Capitol Hill Housing Foundation will commit \$5,000 per year for three years to help establish a “business innovation fund” to support small, Black-owned business development in the Central Area.
- 4) **Design a Building that Connects with the History of the Community:** The Project Partners will finalize work with the project design team to ensure that the building design both appropriately memorializes its history as Liberty Bank and is representative of African American design sensibility. During construction CHH development staff, will attend BCIA meetings and other community meetings to communicate regularly with the community to address any issues that may arise.
- 5) **Hire Local and Minority Firms:** CHH will work with the Partners and other community partners to identify Black owned subcontractors. The project will also recognize the goals of the City of Seattle’s “priority hire” program. CHH will report weekly to the BCIA on these efforts.
- 6) **Help to Rebuild the Central District as a Hub of the pan-African Community:** CHH will enter a contractual agreement with Centerstone and Africatown to affirmatively market available rental units to the Black community paying specific attention to individuals who have been displaced.

CHH will work with Africatown and Partners to program activities in the building in culturally responsive ways which maximize activation of the building reflective of community priorities. These activities may include milestone events; providing space for community meetings, events, services for residents, and engagement of residents in community building activities.

CHH will work with partners or other organizations to develop or facilitate access to services that provide a pathway to home ownership, business ownership, and wealth building. The Partners will work together to identify funding sources for this work.


- 7) **Change Policies:** The Project Partners will work with the City to explore policies (as exist in other cities) that allow for the prioritization of displaced families and individuals in publicly financed affordable housing.
- 8) **Diversify CHH:** CHH will continue its commitment to diversifying the CHH Board and staff recognizing the employment as recognized by the most recent hirings and appointments as well as the ongoing trainings that we offer.
- 9) **Regular Meetings and Timeline:** The community partners will meet at least monthly to ensure that the items agreed to are moving forward in a timely fashion. A timeline of activities is attached to this document. This timeline will be reviewed by the partners monthly and updated as needed.

10) CHH will enter a contract for services with Centerstone and Africatown for this engagement for an amount no less than \$50,000 and no more than \$100,000. The Partners will create an implementation plan including a matrix of success that will detail the work to be performed. A draft of the plan will be available by the August meeting of the Partners and finalized by the September meeting.



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