



National Office
1660 Duke Street
Alexandria, VA 22314-3427
703.341.5000
www.VolunteersofAmerica.org

March 26, 2014

Councilmember Nick Licata
City of Seattle
600 4th Avenue, 2nd Floor
P. O. Box 34025
Seattle, WA 98124

Dear Councilmember Licata:

Thank you for your recent letter about The Theodora.

Volunteers of America (VOA) Western Washington first began serving those in need throughout the state in 1898. Today, we provide services in six counties through a wide range of programs that focus on serving people and communities in need. Through our Basic Needs Services, Personal Support Services, Child & Youth Services, Conflict Resolution Services, Behavioral Health Services, and Volunteer Services we respond to 350,000 requests for assistance each year.

At the heart of all we do is a commitment to help break the cycle of poverty by ensuring those at risk have their basic needs met - mainly food and shelter. Our vision is a community where all people live in safety, with social, emotional and physical well-being, spiritual fulfillment, justice and hope.

The Theodora

The Theodora is a unique housing model. It is comprised of 114 single-room apartments (about 200 sq. ft. or smaller) with shared cafeteria and kitchen. Meals are prepared onsite for residents. While this model worked well decades ago, it has become antiquated and does not address the needs of today's elderly and disabled.

The outdated building configuration, which is not comparable to or competitive even with other HUD 202 buildings in Seattle, has been an increasing impediment to retaining residents. Recognizing this, starting in 2007, Volunteers of America worked internally and then with two respected local development consultant groups to achieve redevelopment of The Theodora. Unfortunately, a feasible redevelopment solution could not be found.

Because the building configuration and service model struggled to meet residents' changing needs, occupancy rates began to fall starting in 2007. As of April 2013, the Theodora had 71 residents (62% occupancy). This was well before any decision to sell the building and before our Assisted Living program operated there closed. After the closure of the Assisted Living

program, we helped the 22 residents under this program find new homes, which left 49 independent residents remaining at The Theodora in August 2013.

Between August 2013 and February 2014, the change in our resident population was as follows:

- 7 left for a higher level of care
- 2 passed away
- 1 moved to Florida
- 1 moved to Montana
- 1 was evicted
- 7 moved to other independent housing

This brought our occupancy rate down to where it is today – roughly 25%.

VOA has operated the Theodora at a significant financial loss for years and we cannot continue to sustain the building. Regardless of a buyer, the Theodora will close in February 2015.

Transitioning the Building & Our Residents

For many of our residents, time is a very important factor and as a good steward to them, and their families, Volunteers of America has committed to giving them as much time as possible to begin thinking and preparing for the upcoming change at The Theodora.

We began this communication in August 2013. On August 22, 2013, VOA sent a memo to all residents and staff of The Theodora announcing our intention to place the property for sale. This was done in an effort to provide residents and staff, and their families, plenty of time to prepare for the eventual closing of The Theodora. This is the letter you referenced, which is also attached, and was unfortunately misquoted. Quoting our memo to staff and residents, your March 12, 2014 correspondence included the statement, “This means that all residents will relocate to new facilities.” This sentence from your letter is not stated anywhere in our August 2013 communication.

Volunteers of America first marketed The Theodora via CBRE brokerage firm to nearly 75 local and national non-profit developers, which included names given to us by the Office of Housing. Through many conversations had by our team and our broker, non-profits told us that because of the building’s age and current configuration, they could not afford to acquire and operate the building as low-income housing.

We then took The Theodora to the private market and received several bids. Volunteers of America could have easily maximized profit and sold to a developer who would have razed the building and constructed expensive homes. Instead, we selected a developer willing to not only invest in and preserve this historic building, but also keep the housing affordable – at the exact levels the city is trying so hard to increase.

Volunteers of America entered into a good faith contract with Goodman Real Estate, which will conclude with a sale of the building this fall. Both parties have spent significant capital moving toward closing.

While we appreciate your suggestion that we instead work with the Office of Housing and Housing Development Consortium to preserve the low-income nature of the building, we do not believe it is fair for third parties to interfere with this contract. This also does not respect the significant work and resources expended towards identifying a redevelopment solution or towards identifying a not for profit buyer.

Relocation Process: A Thoughtful Commitment to Resident's Well-Being

Volunteers of America is deeply committed to our residents during this time of transition and our goal is to go above and beyond for them wherever possible.

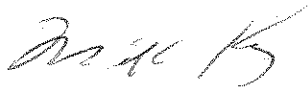
Here is a summary of the work we are beginning:

- We will work with Seattle Housing Authority and HUD early and often to facilitate all Section 8 residents and non Section 8 residents find new homes that fully suit their needs.
- We have retained a relocation specialist to work one-on-one with each resident and their families to assist them in finding housing that fits their budget and health needs.
- Along with Goodman Real Estate (buyer), we will provide \$5,000 to each resident. In addition, all residents who qualify for City of Seattle relocation assistance will receive \$3,188 to help with their transition. This means each resident could receive about \$8,188 to defray their cost of relocation.
- ALL residents who currently receive Section 8 subsidy, who are determined eligible under the rules of the Seattle Housing Authority, will retain their subsidy. Tenant protection vouchers are portable subsidies that will allow eligible residents more choices and the freedom to find a home that better meets their needs. Our relocation specialist will work closely with Seattle Housing Authority on this transition and will be closely involved to make sure everyone transitions well and as many vouchers as possible are retained.

Affordability in Seattle is a complex topic. While the Theodora is no longer economically viable for VOA to operate, we will continue investing in our North Seattle/Greenwood location as well as other new low-income housing in and around Seattle – as we have done for nearly 100 years.

We invite you to tour the property and learn more about the building, as well as our commitment to residents during this transition.

Sincerely,



Mike King
President/Chief Executive Officer

Enclosure

cc: Mike O'Brien, City of Seattle Councilmember
Kshama Sawant, City of Seattle Councilmember
Larry Gossett, King County Councilmember
Steve Walker, Director, City of Seattle Office of Housing
Marty Kooistra, Seattle-King County Housing Development Consortium