

Laurelhurst Community Club

Serving 2800 Households and Businesses in Seattle's Laurelhurst Neighborhood

February 7, 2008

Representative Phyllis Kenney
330 John L. O'Brien Building
P.O. Box 40600
Olympia, WA 98504-0600

Representative Jim McIntire
314 John L. O'Brien Building
P.O. Box 40600
Olympia, WA 98504-0600

RE: HB 3071 – Vote No, Preserve Affordable Housing

Dear Representatives Kenney and McIntire,

The Laurelhurst Community Club Board of Trustees urges you to vote NO on HB 3071. This bill would pave the way for the acquisition and demolition of the 136-unit Laurelon Terrace garden condominium by Children's Hospital, resulting in the loss of much needed affordable housing in our area.

Children's Hospital is a Seattle major institution that requires a City-approved master plan for new development. Children's is currently proposing a new master plan for unprecedented, significant expansion on and near its Laurelhurst campus, in an area that is designated by the City's comprehensive plan to have only limited growth. The amount of new development that Children's wants is more than that already housed in the current hospital, and is akin to building an entirely new, additional hospital at the site.

One of the alternatives that is being studied in the master planning process includes Children's acquisition of the Laurelon Terrace condominiums. According to the preliminary draft environmental impact statement on the proposed expansion at Children's, the acquisition would mean a loss of approximately 21 percent of moderately priced housing in the area. Seattle cannot afford to lose this housing.

It is still early in the master planning process, and Children's does not have City approval to expand its major institution boundary onto the Laurelon Terrace condominium site. But this has not stopped Children's from taking aggressive actions to acquire Laurelon Terrace units. All of the institution's development proposals, which include 240-foot and 160-foot towers that would loom over the two-story garden condominiums, seemed designed to scare property owners into selling to Children's. If you pass HB 3071 – which would give Children's the power to terminate the condominium with only 80 percent of ownership, instead of the 100 percent now required by law – it would add yet another threat to the residents of Laurelon Terrace.

Such aggressive tactics should not be used to pressure our seniors and moderate income neighbors to sell and leave their homes. Many purchased condominiums in the beautiful Laurelon Terrace garden community to be close to their families who live in the neighborhood. There is nothing comparable in the neighborhood that is affordable.

It has been suggested that a majority of condominium owners at Laurelon Terrace want to sell to Children's. We find no evidence to support this assertion. As of January 29, 2008, Children's has purchased 20 units in Laurelon, representing only 15.2 percent of the total ownership. The statement that the condominium owners want to sell also begs the question: Who wouldn't feel pressured to sell when presented with development proposals that would destroy the livability of your residence, and when faced with a powerful cadre of attorneys who are working to strip you of your home and your most basic property rights?

Children's supporters have also said that HB 3071 is necessary to allow termination of dilapidated and devalued condominiums. To the contrary, Laurelon Terrace is a charming, well-maintained garden complex that offers much needed affordable housing. There is no dilapidation problem that needs fixing.

While the Laurelhurst Community Club supports the general mission of Children's Hospital and its work, LCC has major concerns with its proposed expansion plans. Children's is proposing 2.4 million square feet of development—1.5 million more than the approximately 900,000 square feet that is currently built on its Laurelhurst campus. In its comprehensive plan, Seattle has designated urban villages/centers where most of the City's growth and development is supposed to occur. Children's is not located in any of the designated urban villages/centers.

Seattle's Land Use Code requires that major institution master plans reflect "a reasonable balance of the public benefits of development and change with the need to maintain livability and vitality of adjacent neighborhoods" (SMC 23.69.032E.2). Children's proposals are a long way from achieving this balance, and the acquisition and demolition of the Laurelon Terrace condominiums does not close the gap.

In addition to the significant loss of affordable housing, the alternatives that have been developed for Children's master plan and EIS show that the institution's acquisition of Laurelon Terrace would not result in any substantial reduction of development that is proposed on other parts of its campus. The acquisition could, instead, provide a site for even more expansion, which means more traffic and other impacts, thereby further decreasing the livability and vitality of the adjacent neighborhoods.

The degree of public benefit of Children's proposed expansion is also dubious. A recent study prepared by Field Associates, specialists in healthcare and hospital planning, "*Study of Bed Projections for Children's Hospital and Regional Medical Center, Based on Department of Health 12-Step Method*," shows that the number of new hospital beds being proposed by Children's is excessive. A hospital must obtain a certificate of need to expand its number of beds. In this regard, the study notes that the State Department of Health allocates a statewide pool of hospital beds according to geographic region and service type to ensure against over-expansions detrimental to the public interest.

The study concludes:

Unnecessary hospital beds are expensive to the community.

The Department of Health 12-step method tells us the minimum number of hospital beds required in order to benefit patients and the public but it also places a ceiling on the desired number of beds.

Nevertheless, CHRMC's proposal of 350 new beds appears to be approximately ten times the actual number required at CHRMC twenty years from today.

In light of such an oversupply, CHRMC's proposal may not provide a public benefit that outweighs its negative impacts. Based on just the numeric need methodology of the Department, CHRMC's proposal to add 350 acute care beds is not consistent with the mandate established by the legislature nor with the public benefit balancing required by in the Major Institutions chapter of Seattle's Land Use Code.

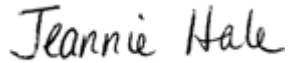
Rather, by unnecessarily duplicating hospital beds, the CHRMC Master Plan can be expected to have unwanted impacts on the financial and program viability of other hospitals and to unnecessarily increase the cost of health care both locally and in the state. Under-used hospital beds put extra costs into the health care system, thus driving up the taxes and health care premiums we all pay to support it. As the

Washington legislature stated, when hospitals over-build, “that excess capacity of health services and facilities place considerable economic burden on the public.”

HB 3071 appears to have been drafted for the sole purpose of making it easier for Children’s Hospital to take over a neighborhood-cherished, affordable housing community and demolish it for the construction of an excessive facility – one that does not even have the basic City and State approvals that are required for development and bed expansion.

We hope you will vote NO on HB 3071 and encourage your colleagues to also vote NO. Thank you for considering the views of our community.

Sincerely,

A handwritten signature in cursive script that reads "Jeannie Hale".

Jeannie Hale, President
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cc: Speaker Frank Chopp