

Six credit unions are working together to address a growing crisis – access to affordable housing.

Credit unions are in-tune with the communities they serve, making it a priority to address financial barriers in their own backyards. One of the most significant issues facing residents across the Northwest is access to housing – and credit unions are tackling it head-on.

A great example of credit union cooperation in housing started taking shape in 2018, when six credit unions began formulating a plan to help people living in communities around the Seattle-metro area. BECU, Verity, Sound, Salal, Washington State Employees, and Seattle credit unions wanted to help people obtain affordable housing near their places of employment – something that many in the area struggle to find.

“I think credit unions’ willingness to come together to solve issues is unique,” said John Zmolek, President and CEO of Verity Credit Union. “Each credit union had to get an investment exception from the (Washington State Department of Financial Institutions). However, each one of us is committed to helping alleviate what is the primary issue in our communities today.”

Kris Hermans, Chief Impact Officer with the Seattle Foundation, agreed credit unions are uniquely positioned to make an impact in affordable housing.

“We appreciate the early commitment of the credit unions, who embraced the idea of a private investment vehicle that could leverage proven affordable housing financing to build more where we most need it,” Hermans said. “The Evergreen Impact Housing Fund is scaling our region’s response to the housing crisis, in large part to the leadership of these credit unions.”

The credit unions worked together to create an \$11 million pilot fund to go toward new housing. That laid the foundation for what’s now the [Evergreen Impact Housing Fund](#), housed at the Seattle Foundation. Microsoft made a \$50 million commitment to the fund, which aims to build between 5,250 and 7,000 apartment units over the next five years for modest-income renters in the communities of Bellevue, Kirkland, Redmond, and other nearby cities.

“The gap funding we will be providing for this project should provide 200 affordable housing units for persons with 60% or lower of the median household income in Seattle,” Zmolek explained. “Perhaps more importantly, the credit union willingness to step forward and participate in this pilot project has laid the foundation for contributions from other corporations.”

The fund, launching in spring of 2020, will entail larger-scale housing developments of 200 apartments or more, with rents that are affordable to people earning 50 to 60% of King County area median income. The fund targets investments in areas experiencing the highest rent inflation and rent displacement.

“BECU has been looking for ways to address the housing issue in a way that goes beyond grant making and to use our balance sheet (investments or loans),” said Tom Berquist, EVP and Chief Marketing Officer with BECU. “The work with the Seattle Foundation allows the opportunity to do just this, with the added benefit of cooperating with other credit unions.”

Across the state, Washington’s 84 credit unions are committed to helping their 4.3 million members build brighter financial futures. As not-for-profit cooperatives, credit unions teach consumers how to manage their money, build a positive credit history and save for the future.

