

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Freeman / 48178	NA

* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

1. BILL SUMMARY

1. Legislation Title:

AN ORDINANCE relating to land use and zoning; amending Section 25.05.675 of the Seattle Municipal Code to establish environmental policies to mitigate the impact of new residential development on displacement of lower income households in areas with a high risk of displacement.

2. Summary and background of the Legislation:

This bill would amend Chapter 25.05, known as the City's State Environmental Policy Act (SEPA) ordinance to amend SEPA policies related to housing. The amended policies would authorize additional displacement mitigation for projects that are:

- Subject to the Mandatory Housing Affordability-Residential (MHA-R);
- Not categorically exempt;
- Located in urban villages identified as having a high risk of displacement and low access to opportunity; and
- Projects which would demolish existing units rented at rents affordable to households with incomes at or below 80% of the area median.

Those areas are identified in the 2016 study *Growth and Equity: Analyzing Impacts on Displacement and Opportunity Related to Seattle's Growth Strategy* and include the Bitter Lake Village, South Park, Rainier Beach, Othello, and Westwood-Highland Park urban villages.

Additional mitigation would include the lesser of replacing the units affordable to households with incomes at or below 80% of the area median or complying with the MHA-R program at higher payment or performance amounts equal to the requirements for zones within the area with an M2 suffix.

The bill also requests that the Seattle Department of Construction and Inspections collect relevant information about rents of existing units subject to the requirement at project intake to administer the proposed policy.

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project?** ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? Yes No

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?

The Seattle Department of Construction and Inspections administers the SEPA ordinance for reviewing and permitting development proposals. Implementing the new policy may also required participation from the Office of Housing to administer the policy and steward affordable units created by the policy.

- b. Is a public hearing required for this legislation?

No

- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No

- d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

- e. Does this legislation affect a piece of property?

No

- f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

The legislation would apply in areas identified as having a high risk of displacement. These areas are characterized, among other things, by low-income communities of color. By requiring replacement of demolished affordable housing or creation of more affordable housing than would otherwise be created through the MHA-R program alone, it may be more likely that members of those communities can avoid displacement due to rent increases or demolition.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

NA

List attachments/exhibits below: