



SEATTLE CITY COUNCIL

Land Use Committee

Agenda

Wednesday, March 20, 2024

2:00 PM

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

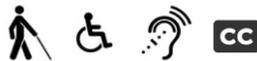
Tammy J. Morales, Chair
Dan Strauss, Vice-Chair
Cathy Moore, Member
Maritza Rivera, Member
Tanya Woo, Member

Chair Info: 206-684-8802; Tammy.Morales@seattle.gov

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March 20, 2024 - 2:00 PM

Meeting Location:

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:

<https://www.seattle.gov/council/committees/land-use>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at

<https://www.seattle.gov/council/committees/public-comment>

Online registration to speak will begin one hour before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Pursuant to Council Rule VI.C.10, members of the public providing public comment in Chambers will broadcast via Seattle Channel.

Submit written comments to Councilmembers at Council@seattle.gov.

Please Note: Times listed are estimated

A. Call To Order**B. Approval of the Agenda****C. Public Comment****D. Items of Business****1. Seattle Planning Commission's Role and 2022 Issue Briefs on the Comprehensive Plan**

Supporting Documents:

[Issue Briefs Presentation](#)

Briefing and Discussion (30 minutes)

Presenters: McCaela Daffern, Seattle Planning Commission Co-Chair; Vanessa Murdoch, Planning Commission Executive Director

2. [CB 120750](#) AN ORDINANCE relating to land use and zoning; establishing the Connected Community Development Partnership Bonus Pilot Program; and adding new Sections 23.40.090 through 23.40.097 to the Seattle Municipal Code.

Supporting Documents:

[Summary and Fiscal Note](#)
[Summary Att A - SEPA Threshold Determination of Non-significance](#)
[Presentation \(3/20/24\)](#)
[Central Staff Memo \(3/20/24\)](#)

Briefing, Discussion, and Possible Vote (60 minutes)

Presenter: Lish Whitson, Central Staff

E. Adjournment



Legislation Text

File #: Inf 2431, **Version:** 1

Seattle Planning Commission's Role and 2022 Issue Briefs on the Comprehensive Plan



Issue-specific thoughts on the major update to the Comprehensive Plan

Updating the Growth Strategy

February 2022

The Seattle Planning Commission advises City of Seattle elected officials and staff on policies and programs related to land use, housing, transportation and related issues. As stewards of the Comprehensive Plan, the Commission actively engages in the annual review of amendments to the Plan and a robust and iterative review of the major updates to the Plan that occur every seven or so years.

Last summer, the Commission offered [recommended overarching themes to guide the next major update](#). As a follow up to those recommendations, we are preparing a series of issue specific briefs, the first of which centers around the need to evolve Seattle's growth strategy to accommodate rapid growth in a more equitable way.

A vision for a growing Seattle

Members of the Seattle Planning Commission – collectively and as individuals – engage with people and organizations from all areas and backgrounds to talk and think together about the future Seattle we'd like to live in together. Our shared values and vision most often come down to something like this:

Imagine a vibrant, equitable, and compassionate Seattle, where we dismantle and repair systems of harm, and provide opportunity and affordable housing for all. Imagine a resilient and carbon-negative Seattle, where streets are for people and where everyone has access to parks, open spaces, clean air and water.

The next Comprehensive Plan Major Update will engage still more current and hopeful Seattleites in developing the City's collective vision and will outline the policies and plans to get there. For our part, as the Seattle Office of Planning and Community Development begins to devise and analyze future scenarios, the Planning Commission would like to offer our suggestions for evolving Seattle's Growth Strategy.

Summary of Recommendations

We recommend the City consider the following strategies as it constructs the alternatives that will be tested in the Comprehensive Plan Environmental Impact Statement:

- **Become a 15-Minute City.** The 15-Minute City concept advances complete, walkable neighborhoods integrating a mix of housing types and commercial spaces with transit and other mobility options, jobs, education, health care, and parks and open space – places where most of residents' daily needs are within a 15-minute walk or bike ride. The Planning Commission recognizes the potential for all residential areas to include a mix of neighborhood-based commercial and residential activity that can grow over time. These areas could include cafes and corner stores, live-work units, light manufacturing, and other appropriate uses that foster complete and resilient neighborhoods.
- **Expand the Urban Villages concept to embrace a network of complete and connected neighborhoods.** Beyond previously designated Urban Villages, the City's Future Land Use Map should be updated to reflect the potential for complete, 15-minute neighborhoods within the quarter-mile walksheds around existing frequent transit and expanded to a half-mile walkshed around existing and planned high-capacity light rail and rapid bus stations. The Urban Village map should be updated to reflect the resulting network of complete, 15-minute neighborhoods.
- **Actively address displacement.** Strong housing and commercial anti-displacement practices and policies should be a key focus for the next evolution of the Growth Strategy. Every zoning and land use policy change made in support of addressing the affordable housing crisis and commercial affordability must consider the potential for displacement of BIPOC and low-income communities and small businesses.

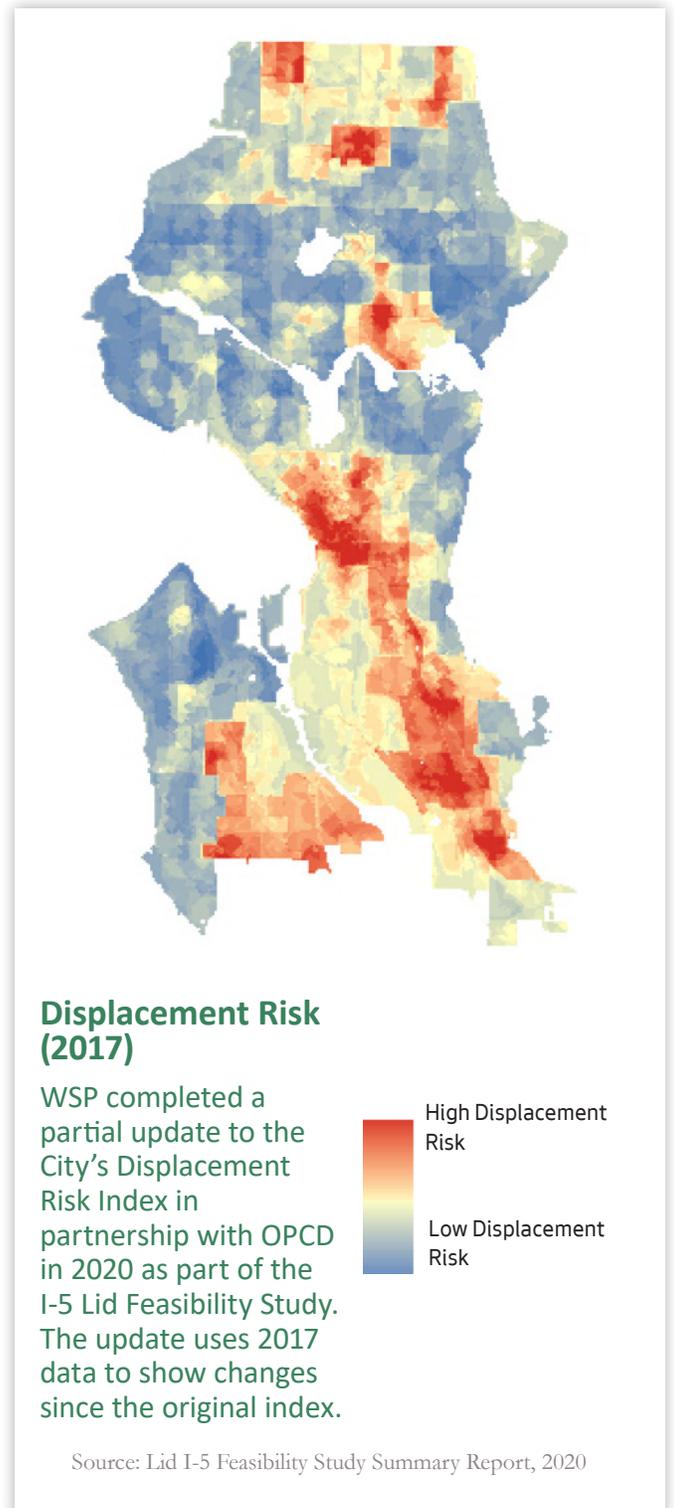
Background

Over the last few years, the Planning Commission has produced several papers that inform our view of an updated Growth Strategy for the next Comprehensive Plan Major Update: [Neighborhoods for All \(2018\)](#), [Evolving Seattle's Growth Strategy \(2020\)](#), and [A Racially Equitable and Resilient Recovery \(2020\)](#).

In *Neighborhoods for All*, the Commission recommended that city policies and plans:

- **Evolve Seattle's Growth Strategy to grow more walkable neighborhoods within residential areas across the city.**
- **Create a zoning designation that promotes the intended physical form and scale of buildings while being more equitable and inclusive.**
- **Foster a broader range of housing types in areas with access to essential components of livability, such as shops, parks, and schools.**
- **Retain existing houses while adding housing types that allow more people of varying means to live in every neighborhood.**
- **Encourage more compact development on all lots.**
- **Ensure development of housing that supports greater household diversity.**

Evolving Seattle's Growth Strategy called for racial equity to serve as the guiding impulse of the Comprehensive Plan update while identifying three factors critical to the city's future: housing affordability, the climate crisis, and livability. The Commission noted that the Urban Village Growth Strategy of the 1990s had some success in steering development to areas served by transit but had left the legacy of redlining and social exclusion largely intact. Meanwhile, the prodigious infusion of technology jobs and wealth and ensuing rapid growth and displacement, coupled with startlingly rapid onset of



climate-driven disruptions, present a profoundly different set of circumstances. *"The Comprehensive Plan is a timely opportunity to envision a Growth Strategy designed to advance racial equity, end housing disparities by race, repair harms caused by racially biased policies and ensure that the existential threat of climate change not contribute to racial inequities."*

The Commission's *Racially Equitable and Resilient Recovery* white paper sought to draw lessons for the future from the responses to the pandemic and the police killing of George Floyd, recommending that city leaders adopt plans to:

- Work in collaboration with communities of Black, Indigenous, and People of Color (BIPOC) to create a planning process that shares power with them.
- Advance housing choices and security in response to COVID-19 while expanding homeownership opportunities for BIPOC communities.
- Maintain the critical transit network and ensure that City rights-of-way meet safety and open space needs, especially for BIPOC communities.
- Ensure public spaces work for everyone by centering and implementing BIPOC visions for the public realm.
- Invest equitably in healthy and climate-resilient communities.

The need for an updated Growth Strategy

The Major Update to the City's Comprehensive Plan comes during a time of both unprecedented crisis and opportunity. Seattle has benefitted from a robust economy fueled by the technology sector, adding tens of thousands of high-salary jobs and more than 100,000 residents in the last decade. The economic projections are bright, with baseline expectations for at least another 112,000 housing units and 169,500 jobs.¹ At the same time, we are experiencing escalating housing costs and homelessness, worsening impacts from climate change, growing racial and social inequities, and the effects of the COVID-19 pandemic. The Comprehensive Plan's Growth Strategy should communicate a vision for how Seattle will accommodate new residents and jobs in a sustainable manner that allows people of all races and backgrounds to thrive together. We must adopt a Growth Strategy that prevents Seattle from becoming an increasingly exclusive city, where only the wealthy can afford to live while middle- to low-income residents are displaced.²

1 2021 King County Urban Growth Capacity Report. Exhibit 55: DRAFT King County Jurisdiction Growth Targets, 2019-2044, p. 78. <https://kingcounty.gov/depts/executive/performance-strategy-budget/regional-planning/UrbanGrowthCapacityReport.aspx>

2 City of Seattle Market Rate Housing Needs and Supply Analysis. Exhibit 50. Scenario 1: Projected Households by Income Level, p. 55. <https://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/HousingChoices/SeattleMarketRateHousingNeedsAndSupplyAnalysis2021.pdf>

Projected Households by Income Level

| | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | Net Change 2020-2045 |
|-------------------|---------|---------|---------|---------|---------|---------|-------------------------|
| Total Households | 348,257 | 369,605 | 390,952 | 412,299 | 433,646 | 454,993 | 106,736 |
| ≤ 50% AMI | 85,665 | 90,096 | 94,528 | 98,959 | 103,390 | 107,822 | 22,157 |
| >50% to ≤80% AMI | 30,213 | 27,370 | 24,527 | 21,685 | 18,842 | 16,000 | (14,213) |
| >80% to ≤100% AMI | 27,702 | 27,593 | 27,485 | 27,376 | 27,268 | 27,159 | (543) |
| >100% AMI | 204,678 | 224,545 | 244,412 | 264,279 | 284,146 | 304,013 | 99,335 |

Source: Seattle Market Rate Housing Needs and Supply Analysis, 2021. Exhibit 50.

The equity gap in housing and jobs

Indicators of the existing economic disparities show how great a challenge we face. The City's most recent housing needs and supply analysis identified a 21,000-unit gap of needed housing for households making 80% or less of area median income.³ Housing scarcity results in more Seattleites experiencing housing instability and homelessness and fuels the displacement of low-income and BIPOC communities as many residents and businesses are priced out and forced to relocate. Lower-wage workers who serve our community cannot afford to live in Seattle and must commute long distances to their jobs in the city.⁴

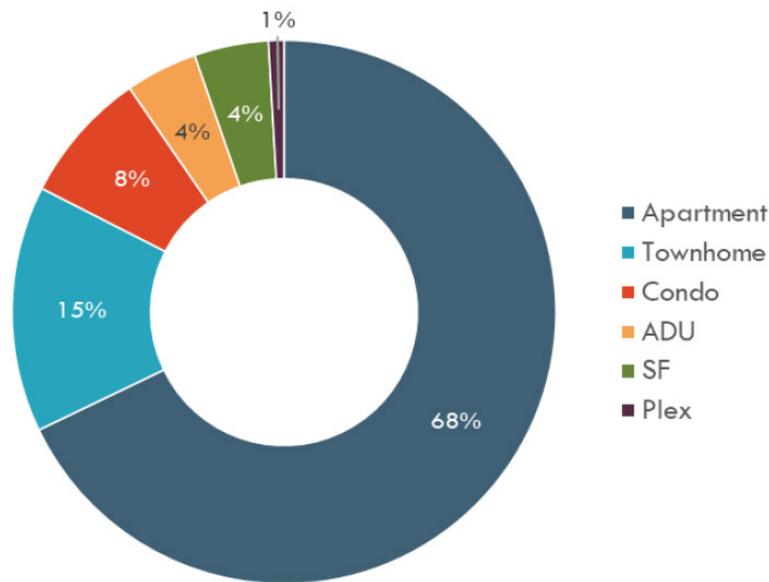
The 1990s Growth Strategy was adopted under a banner of maintaining "neighborhood character", a vague phrase that has seemed to give special status to detached, single-family dwellings over all other housing types. Whether or not that was the principal motivation, the result is that multifamily homes have been steered to the relatively small portion of land area designated as urban villages - mostly along busy, dangerous arterial roads - and away from areas of the city with ample parks and schools. Maintaining large swaths of "single-family" areas while constraining multifamily housing growth to Urban Villages perpetuated the effects of redlining and restrictive covenants and limited where many BIPOC households could afford to live and thrive. The subsequent redevelopment in neighborhoods where more residential growth was allowed, and City investments promised, unintentionally led to the dramatic levels of displacement of BIPOC communities that Seattle has seen in the ensuing 25 years. Some Urban Village neighborhoods, waiting for City investment, have also experienced displacement due to loss of cultural anchors and community-related businesses in addition to residential displacement. The City's recent racial equity analysis of the Urban Village Growth Strategy echoed this conclusion and found that "many BIPOC communities have suffered from insufficient housing supply, choice, and affordability." Outside urban village boundaries, current zoning allows very little capacity for future growth.⁵

3 *ibid.* Executive Summary, p. iii.

4 *ibid.* Low-Wage Long-Distance Commuters, p. 50.

5 *ibid.* Exhibit 58. Scenario 1: Forecasted Shares of Net New Units by Housing Type, 2020-2045, p. 63.

Forecasted Shares of Net New Units by Housing Type, 2020-2045



Source: Seattle Market Rate Housing Needs and Supply Analysis, 2021. Exhibit 58.

Achieving climate readiness

The urgent need to slow, mitigate, and adapt to climate change must guide our decisions regarding land use patterns, transportation networks, and building construction. We must address the fact that most of Seattle's residentially zoned land continues to be overly reliant on travel by automobile. Vehicle emissions are the city's largest source of carbon emissions, despite pre-pandemic increases in transit ridership. As the Planning Commission has noted previously, the next iteration of Seattle's Growth Strategy must "explicitly abandon the car-centric focus that has held sway since the middle of the last century," recognizing that the shift will occur over the life of the 20-year plan.

Seattle has made progress in building light rail and bus rapid transit and will continue to expand these networks to provide more access for its residents. However, the city cannot realize the full benefits of this massive investment without adopting zoning and development policies to accommodate significantly more households in the walkshed of high-capacity transit. At the same time, we must overcome the previous Growth Strategy's approach of maintaining large areas of the city in a state of automobile dependency by allowing a wider variety of residential and commercial uses in Neighborhood Residential zones, thereby making increasingly frequent transit possible citywide.

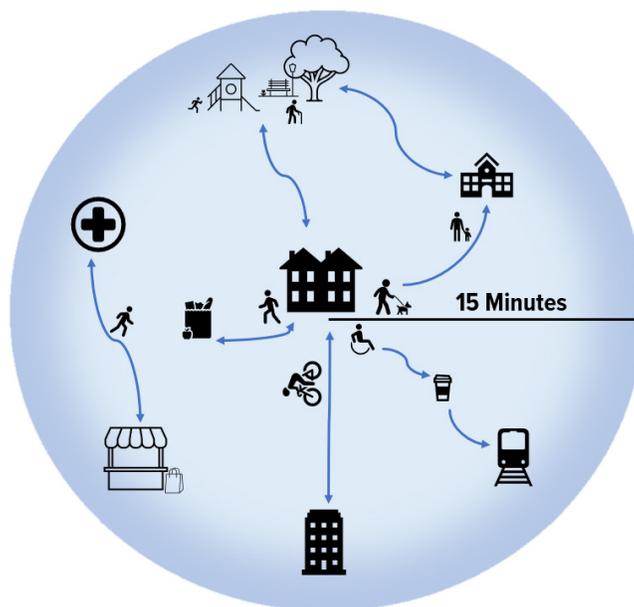
Recommendations for an updated Growth Strategy

A call for genuine, effective community engagement

To reverse existing inequities, the next Growth Strategy must lead to policies and plans that make the city better for everyone, especially those previously left behind. The framing and development of the Major Update to the Comprehensive Plan must evolve from robust and genuine outreach engaging all our communities, especially those who have benefited least from past practices and outcomes. To achieve this engagement, the process and materials used must be accessible to all in all parts of the city, regardless of language spoken or familiarity with the jargon of conventional city planning. City leaders must ensure robust engagement with BIPOC communities with a goal of community-focused “placekeeping” – the active care and maintenance of a place and its social fabric by the people who live, work, and recreate there – and resiliency to the effects of climate change and economic shocks. The Commission will be preparing additional correspondence regarding the need for a comprehensive community engagement strategy in the Comprehensive Plan Major Update.

Become a 15-Minute City

[The 15-Minute City](#) concept advances complete, walkable communities integrating a mix of housing types and commercial spaces with transit and other mobility options, jobs, education, health care, and parks and open space – places where most of residents’ daily needs are within a 15-minute walk or bike ride. A central tenet of this concept is to engage residents of all backgrounds in identifying the services and features they deem essential for nearby access. The Planning Commission recognizes the potential for all residential areas to include a mix of neighborhood-based commercial and residential activity that can grow over time. Depending on local conditions, these areas could include features such as cafes and corner stores, live-work units, light manufacturing, and other appropriate uses that foster complete and resilient neighborhoods.

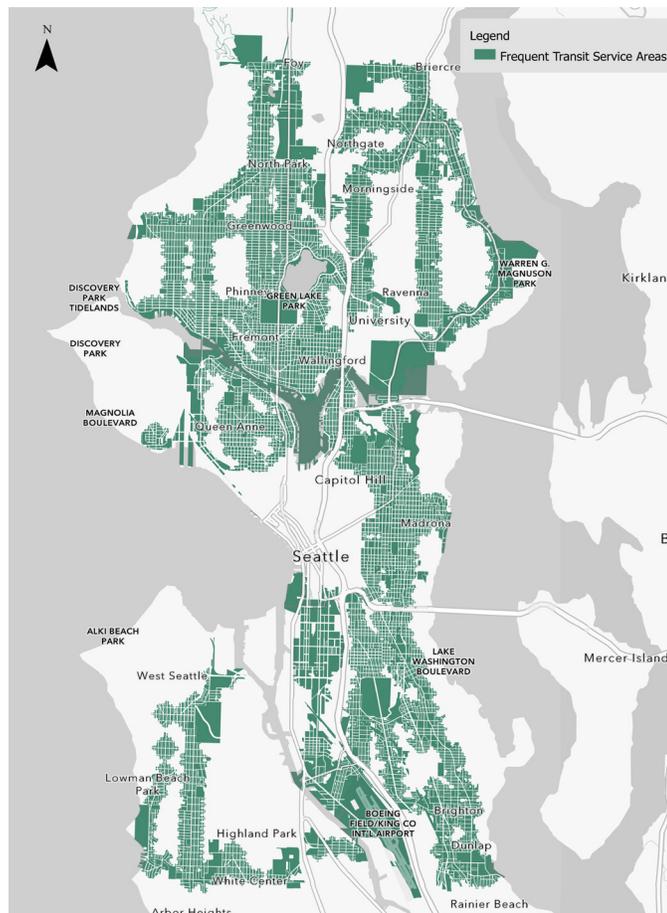


15-Minute City conceptual graphic. Source: Seattle Planning Commission

COVID-19 has clearly illustrated the need to better integrate residential, commercial, and social opportunities. By allowing a greater variety of uses, neighborhoods can expand opportunities for residents and businesses, reduce commutes, and enhance walkability. Prioritizing affordable commercial spaces in these neighborhoods will allow small businesses, non-profit organizations, and creative industries to thrive. By empowering communities that have been underserved and negatively impacted by top-down planning in the past, Seattle can leverage the concept of 15-minute neighborhoods to improve racial equity outcomes by supporting the expansion of neighborhood businesses and local jobs in these areas.

From isolated Urban Villages to a network of complete and connected neighborhoods

From the perspective of zoning and land-use regulation, the Planning Commission recommends that the next Growth Strategy shift from a focus on a relative handful of Urban Villages toward a citywide, connected network of complete neighborhoods, each with a variety of housing and jobs and served by both frequent transit and a diversity of uses. To accomplish this, the City should use the Frequent Transit Service Area Map as a framework for a broader distribution of potential 15-minute neighborhoods. Land use designations on the City’s Future Land Use Map should reflect this goal within the quarter-mile walkshed of frequent transit service. In the case of existing and planned high-capacity light rail and rapid bus stations, however, the walkshed should be expanded to a half-mile. The Urban Village map should be updated to reflect the resulting network of complete, 15-minute neighborhoods.



Map of Frequent Transit Network in Seattle. Source: City of Seattle GIS Program

Actively addressing displacement

Strong housing and commercial anti-displacement practices and policies should be a key focus for the next evolution of the Growth Strategy. We intend to release an issue brief in 2022 addressing this critical issue. Every zoning and land use policy change made in support of addressing the affordable housing crisis and commercial affordability must consider the potential for displacement of BIPOC and low-income communities and small businesses. This should include prioritizing implementation of anti-displacement measures and ensuring growth in areas of high displacement risk, and also expanding growth opportunities in areas of high opportunity and low displacement risk. The City should develop measures to expand opportunities for homeownership and small businesses for members of our BIPOC communities. In addition, the City must commit to policies for the placement and expansion of affordable housing that increase access to jobs and transit, while improving protections for renters and vulnerable households. The City also should acquire property for housing and promote land trusts, shared equity or limited equity cooperatives, and other community ownership models. These strategies should be implemented in support of building wealth in BIPOC communities when land values are increased through changes to development standards and zoning regulations to allow the development of more housing types and community-owned spaces.

Conclusion

With Seattle rapidly becoming unaffordable to all but the highest earners, the consequences of the current Growth Strategy are clear - a stark divide between those who can and cannot access housing in high opportunity areas, a limit on housing types like townhomes, duplexes, and accessory dwelling units, and an increasing gap in housing and job quality, diversity, and access. The next Growth Strategy must consider the whole city to ensure that Seattle welcomes people of all incomes - those already here, those yet to arrive, and those who have been priced out but continue to come to Seattle for work or cultural activities. The Growth Strategy must also develop policies and tools to prevent loss of residents and jobs from communities at high risk of displacement. In the future, Seattle must pursue bold and meaningful actions that address the scale of our current and future housing and employment needs.

The Planning Commission will be engaged throughout the process as the City develops the Growth Strategy for the Comprehensive Plan Major Update. We are looking forward to continuing and expanding conversations around the scope and direction of the Growth Strategy. The Commission welcomes input from communities and stakeholders throughout the city, acknowledging that we are not (and should not be) the sole creators of a vision for the next evolution of how Seattle manages its growth.



Repurposing the Right-of-Way: Mobility Options and People-Oriented Streets in an Equitable City

November 2022

The Seattle Planning Commission advises City of Seattle elected officials and staff on policies and programs related to land use, housing, transportation and related issues. As stewards of the Comprehensive Plan, the Commission actively engages in the annual review of amendments to the Plan and a robust and iterative review of the major updates to the Plan that occur every seven or so years.

In 2021, the Commission offered [recommended overarching themes to guide the next major update](#). As a follow up to those recommendations, we are preparing a series of issue-specific briefs. The following brief is the third in the series and focuses on how the City's public rights-of-way can be repurposed and re-envisioned in the Comprehensive Plan major update.

Introduction

For nearly 100 years, planning and design in Seattle have proceeded from the assumption that the primary function of the City's public rights-of-way is the movement and storage of privately-owned vehicles. But over the 20-year horizon of the next Comprehensive Plan, several exigencies will require that default assumption to be set aside.

Purely as a function of space, the City cannot accommodate expected growth in population and remain livable if the movement and storage of private motor vehicles remain the overwhelming focus on our street rights-of-way; there simply isn't room. At the same time, perpetuation of the status quo will literally kill us. Rather than declining to zero as the City has pledged, deaths and injuries on our roadways are on the rise, with seniors and children especially at risk. The City of Seattle can neither meet its pledge to mitigate climate change nor adapt to its impacts by maintaining current conditions. And, as demonstrated during the pandemic, our streets often provide the only available open space in dense urban villages, and the demands for public space will only grow as our population does.

Roadway violence, adverse climate change impacts, and lack of access to open spaces also disproportionately affect our Black, Indigenous, and People of Color (BIPOC) communities. While a shift in the primary function of the City's rights-of-way is essential for the reasons noted above, this transition must avoid inadvertently harming vulnerable communities and especially those who have been displaced to less well-connected areas.

Re-envisioning the public right-of-way as limited and increasingly valuable public space - and reprioritizing its use in response - will open myriad possibilities for improving city life while meeting important policy goals. The major update of the Comprehensive Plan must reflect that new vision.

What is the public right-of-way?

The public right-of-way is land intended for transportation, utilities, and other public uses including streets, alleys, medians, sidewalks, stairways, and landscaped areas. This valuable public space makes up approximately 27 percent of Seattle's land¹, with the majority developed as roadways supporting transportation (largely cars and trucks) and some unimproved with paving and acting as open space.²

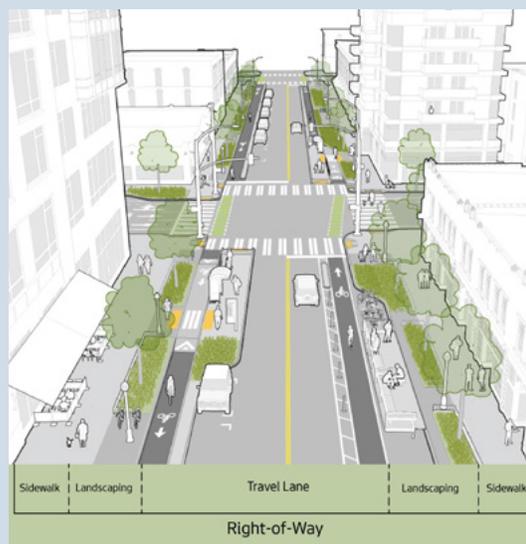


Figure 1: A representation of the Right-of-Way. Adapted from SDOT Streets Illustrated.

1 "Growing Seattle Ups the Ante on Green and Complete Streets." Sightline Institute, Aug 10, 2018. <https://www.sightline.org/2018/08/10/seattle-green-and-complete-streets>

2 <https://streetsillustrated.seattle.gov/urban-design/public-space/unimproved-right-of-way/>.

A vision

Publicly owned right-of-way provides not just mobility, but also critical social and cultural space, an environmental and recreational resource, and an opportunity for economic development. It links all of us together, whether we are using it to get to our local grocery store or community center, stopping and chatting with our neighbors, or getting outside to enjoy nature and play.

The Seattle Planning Commission envisions a future where Seattleites of all ages, races, income levels, and abilities safely use and enjoy our public rights-of-way. Transformed by direct community involvement, this public space provides safe and equitable access by bicycle, wheelchair, foot, transit, or by car. It forms an interconnected network that maintains opportunities for people displaced to the outermost parts of the city to quickly reach vibrant community centers and jobs in city center neighborhoods. In this future, Seattleites and visitors enjoy a network of urban nature corridors with street trees connecting to habitat patches in parks and clean stormwater flowing to our waterways.



Figure 2: Children biking along a multi-use path. Photo Credit: SDOT.



Figure 3: A pedestrian on a tree-lined sidewalk in Columbia City. Photo credit: SDOT.



Figure 4: Three people playing chess in a parklet downtown. Photo credit: SDOT

A function of space

Seattle currently has about 610 cars for every 1,000 people - more per capita even than Los Angeles (583 per 1,000) and substantially more than comparable cities such as San Francisco, Boston, and Washington, D.C.³ Making space for these cars requires the vast majority of the right-of-way be dedicated to travel lanes and parking. This has enormous fiscal implications. The City of Seattle estimates about 500,000 parking spaces are within the public right-of-way. Of those, only 12,000 are metered; the rest are publicly subsidized and "free of charge" to users, representing lost actual and opportunity costs to the City in terms of uncollected revenue, unrealized transportation options, environmental impact, maintenance, and more. Land use policies such as minimum parking requirements and "free" on-street parking have prioritized the movement and storage of cars on our increasingly valuable public rights-of-way.

3 "Seattle has finally reached peak car, and only one other densely populated U.S. city has more cars per capita." Seattle Times, February 18, 2021. <https://www.seattletimes.com/seattle-news/data/seattles-car-population-has-finally-peaked/>

Removing the threat of death and injury

The number, size, weight, and speed of cars, SUVs, and pick-ups in the city are key factors in the rising deaths and injuries on our streets, especially on the arterial roads where we have concentrated new housing through our growth strategy and previous Comprehensive Plans. This is true despite the City's 2015 adoption of a "Vision Zero" goal to eliminate deaths and serious injuries in our rights-of-way by 2030. We are on an opposite trajectory. Fatalities among people walking, rolling, or biking on Seattle streets were 150 percent higher five years after declaring that goal than five years before⁴. Transitioning to electric vehicles is unlikely to help. Batteries make them even heavier than conventional vehicles, and their quiet operation – while an overall bonus – is a risk to pedestrians. A true devotion to Vision Zero requires redesigning roads and reallocating space to reduce traffic speeds and create safe spaces for people walking, biking, and using wheelchairs and other mobility devices.⁵



Figure 5: A family crosses a busy intersection along Rainier Ave S. Photo credit: SDOT.

Fulfilling our climate pledges

For many years, Seattle has proclaimed leadership in responding to climate change, with declared intentions to reduce climate-harming emissions and to adapt to rising heat, increased rainfall, and intensifying storms. Climate is a useful framework to see how the City's plans and initiatives interact with each other and relate to allocation of our rights-of-way. Vehicle emissions account for the lion's share of greenhouse gases in Seattle. Keeping a lid on vehicle miles traveled is critical to reducing those emissions. Electrification of private vehicles is a worthy pursuit, but the City has little control over the rate at which the privately-owned fleet changes over. Hoped-for future electrification is no substitute for curbing emissions from the predominant source in the near term. Electrification also addresses only one component of a vehicle's total carbon footprint – tailpipe emissions – without reducing the embodied carbon in the vehicle itself and in the infrastructure required to move and store it.

Taking climate action requires allocating more space to providing safe and convenient alternatives to driving everywhere for everything. On the adaptation side, taking the edge off the intensifying urban heat island calls for increased tree canopy and vegetation and less pavement overall. The city also will

4 "Pedestrian deaths climb in Seattle, despite City's pledge to eliminate them." KUOW, January 24, 2022. <https://www.kuow.org/stories/pedestrian-deaths-climb-in-seattle-despite-city-s-pledge-to-eliminate-them>

5 "Study: What are the best street safety improvements?" Governing, September 16, 2022. <https://www.governing.com/community/what-are-the-best-safe-streets-improvements>

need more "green stormwater infrastructure" to capture, slow, and filter runoff from more frequent and intense storms in order to prevent flooding and protect salmon and other aquatic life. Again, this signals an urgent need to elevate other priorities above rapid movement and storage of private vehicles in our right-of-way.



Figure 6: A stormwater project runs along Vine Street downtown. Photo credit: SDOT.

Increasing mobility options and open space

Street design should involve a more complex set of considerations than vehicle movement and storage that accounts for the effects on the public realm and the surrounding context. A growing, denser Seattle will need many more "complete" and "green" streets that welcome safe, non-auto activity. This will require more widespread traffic calming; safer and better-connected travel ways for bicycles and other mobility devices; wider sidewalks and well-marked, comfortably spaced crossings; trees and landscaping; the potential for cafés, market spaces, and recreation; and green stormwater infrastructure. These improvements can increase the access, reliability, and safety of options such as transit, bicycles, and scooters, but cannot be achieved while continuing to privilege the private car by default. Seattleites got a glimpse of some of the possibilities during the COVID-19 pandemic as communities thought more expansively about use of the right-of-way and created Stay Healthy Streets and Café Streets.



Figure 7: People enjoy a sidewalk cafe on a tree-lined street in Madison Park. Photo credit: SDOT.



Figure 8: Right-of-way improvements added greenspace and pathways along 14th Ave NW. Photo credit: SDOT.

Well-designed sidewalks and clearly marked crossings, coupled with slower vehicle speeds, are vital for safety, quality of life, and mobility for all residents, but are especially so for children, people with disabilities, and seniors. In perpetuation of a glaring inequity, neighborhoods in North Seattle and South Seattle – many with concentrations of low-income families and communities of color – still lack basic sidewalks and adequate stormwater drainage (to say nothing of the associated aesthetic improvements seen in more affluent areas). Correcting that inequity should be an urgent focus over the life of the next Comprehensive Plan. This inequitable infrastructure deficit is a feature not only of budgetary policies, but also policy priorities, as the City chooses mostly to rely on developers constructing new or remodeled buildings to provide right-of-way improvements.

Equitable streets for people in a growing City

While the Planning Commission envisions a transition away from automobile dependency and associated cost burdens, research has demonstrated the vital role cars currently play for many in low-income communities lacking reliable public transportation⁶. This is especially true for low-income households, BIPOC women workers, and communities of color that have been displaced to locations farther from the city core that lack reliable public transportation to jobs, schools, and cultural resources. We recognize the need to own, insure, and maintain a car is an economic hardship, particularly for low-income households. Reducing the need for car ownership is an important objective with the potential for significant environmental and social equity benefits⁷. However, we also recognize that such a transition must avoid inadvertently harming vulnerable communities. Reducing the overall need for car ownership in all communities likely will not occur without strong anti-displacement strategies, access to affordable housing, and equitable transit-oriented development.

We also recognize that some areas of the city were designed to be car-dependent, with low densities and essential services beyond walking distance from homes, and that their evolution toward walkability may take the life of the next Comprehensive Plan to accomplish. However, in our long-range planning we must be clear that reliance on privately-owned vehicles presents significant issues affecting safety and health, affordability, air and water pollution, climate, tree canopy, recreation, noise, gender equity, and more. While change will not be instantaneous – and we must take care to ensure it prioritizes the needs of our least-advantaged neighbors – this is a status quo that we need not, and must not, perpetuate.

Fulfilling longstanding policy goals

Making a conscious choice to reprioritize the use of this limited and increasingly valuable space opens myriad possibilities for improving other aspects of city life and meeting important policy goals. In previous iterations of the Comprehensive Plan and in multiple other plans, we have set ambitious goals for the City to evolve to be more equitable and affordable; to eliminate traffic violence; to lead on

6 *Changing Lanes: A Gender Equity Transportation Study*, Los Angeles Department of Transportation. <https://ladot.lacity.org/changinglanes>

7 "Automobile Dependency: An Unequal Burden." Planetizen, December 15, 2020. <https://www.planetizen.com/blogs/111535-automobile-dependency-unequal-burden>

climate; to be the "most walkable city" in the nation; to continue strong growth in transit ridership; to provide more open space; to preserve and grow the street canopy; to protect salmon and orcas from roadway pollution; and more. However, each of those goals have been undermined by the underlying default toward centering the rapid throughput and storage of cars on our rights-of-way.



Figure 9: A narrow sidewalk runs along high-traffic and high-speed Aurora Ave. Photo credit: SDOT.

Several existing City plans and programs point to the opportunity to repurpose the right-of-way and support a transition to an equitable transportation system and public space network, and underscore the need for the policy changes the Commission is suggesting. These include:

- [Streets Illustrated: The Seattle Right-of-Way Improvements Manual](#)
- [City Life at Street Level](#)
- [Transportation Modal Plans](#)
 - [Bicycle Master Plan](#)
 - [Freight Master Plan](#)
 - [Pedestrian Master Plan](#)
 - [Transit Master Plan](#)
- [Seattle Climate Action Plan](#)
- [Seattle Department of Transportation Public Space Management Programs](#)
- [Stay Healthy Streets](#)
- [Transportation Electrification Blueprint](#)
- [Shape Our Water, Seattle Public Utilities Citywide drainage and wastewater planning](#)
- [Imagine Greater Downtown](#)
- [Outside Citywide](#)
- Various community-level plans, such as [Capitol Hill: Public Spaces + Public Life](#)

Opportunities to evolve the Comprehensive Plan

The Planning Commission is strongly committed to the principles of racial equity in the development of a multimodal transportation system and public space network that is designed for the most vulnerable populations. The updated Comprehensive Plan and the forthcoming Seattle Transportation Plan must focus on equity to prioritize transportation and safety investments in communities of color. It is important that these communities be part of the transportation planning process from the outset since both plans aspire to make the city more equitable, livable, sustainable, and resilient for today's communities and future residents. The Commission urges that the next Comprehensive Plan build from the values and strategies expressed in the Seattle Department of Transportation's [Transportation Equity Framework](#) developed by the Transportation Equity Workgroup, as well as the recent [Public Space Management Program](#). They form an excellent basis for prioritizing investment in communities that have been marginalized by Seattle's transportation infrastructure.

The urban village strategy and previous Comprehensive Plans have concentrated growth along arterials that often are busy, dangerous sources of health-harming emissions in neighborhoods with limited public space. Over the life of the next Plan, the City must prioritize investment in these corridors to prevent traffic violence while providing more opportunities for outdoor activity; improve transit speed and reliability; reduce noise and emissions in residential areas; and increase options for non-motorized travel.

In its Transportation element, the Seattle 2035 Comprehensive Plan recognizes the need for a transition away from over-reliance on the automobile:

"Transit, bicycling, walking, and shared transportation services reduce collisions, stress, noise, and air pollution, while increasing social contact, economic vitality, affordability, and overall health. Transportation policies that encourage use of non-automobile travel options support not only the City's growth strategy but also its environmental goals, including those related to climate change. By reducing the need for personal car use, the City can also reduce congestion and provide more opportunities to reallocate public right-of-way for trees and landscaping. Providing and promoting a wider variety of transportation options is also integral to achieving these environmental goals."

The current Plan's Built Environment element includes a goal to "design streets with distinctive identities" using "different design treatments to reflect a particular street's function, right-of-way width, and adjoining uses." The next Comprehensive Plan should go a step further to explicitly recognize and call for streets that are designed to de-emphasize rapid vehicle travel and are compatible with community goals, anti-displacement policies, and connectivity with the broader transportation network.

Other worthy policies in the existing Transportation element include:

- Devote space in the street right-of-way to accommodate multiple functions of mobility, access for commerce and people, activation, landscaping, and storage of vehicles.
- Consider safety concerns, modal master plans, and adjacent land uses when prioritizing functions in the pedestrian, travel way, and flex zones of the right-of-way.
- Develop a decision-making framework to direct the planning, design, and optimization of street right-of-way.
- Create vibrant public spaces in and near the right-of-way that foster social interaction, promote access to walking, bicycling, and transit options, and enhance the public realm.
- Enhance the public street tree canopy and landscaping in the street right-of-way.
- Build great streetscapes and activate public spaces in the right-of-way to promote economic vitality.
- Minimize right-of-way conflicts to safely accommodate all travelers.

The Commission recommends removing "storage of vehicles" from the first bullet above in favor of a call to develop a citywide parking policy and plan that looks to balance revenue needs with opportunities for multi-function streets that provide more options, public space, and environmental benefits. Overall, the next Transportation element should prioritize allocating space for people-oriented, transit, and freight/commercial uses over privately owned vehicles, while acknowledging the need to maintain or improve connectivity during the transition.



Figure 10: Many residential streets in Seattle have parking for cars on both sides of the street. Photo credit: SDOT.

The Utilities element sets a goal to "coordinate right-of-way activities among departments to meet transmission, distribution, and conveyance goals; to minimize the costs of infrastructure investment and maintenance; to manage stormwater; and to support other uses such as transportation, trees, and public space." The Major Update should strengthen policies that encourage interdepartmental collaboration and capital budgeting, in order to promote green stormwater infrastructure and shared use of the public right-of-way to further goals for climate and natural resource protection.

Linking the Seattle Transportation Plan with the Comprehensive Plan

The Seattle Department of Transportation (SDOT) is developing the Seattle Transportation Plan (STP) with an intention of integrating the City's four modal plans – Pedestrian, Bicycle, Freight, and Transit – with the underlying, but unstated, "car plan". SDOT has said the integrated plan will work to ensure space for all modes while seeking to achieve Vision Zero, address public space functions, adapt to new mobility devices, prepare for automated vehicles, and lay the groundwork for the electrification of vehicles. The STP is being undertaken ahead of a need to develop a package of capital projects as a successor to the current Levy to Move Seattle, which expires in 2024. The Commission strongly urges SDOT and the planning team to coordinate closely with the Comprehensive Plan Major Update to ensure that the resulting plan and package mesh with and undergird the future growth strategy and supporting land use policies and development patterns.

The Planning Commission endorses previous City proposals to employ the "15-minute neighborhood" as a conceptual framework for Seattle's next growth strategy. As our population grows, people will need even greater access to more complete neighborhoods where daily needs and activities are within a short walk, bike ride, or transit trip. The strategies to get there include introducing more housing and neighborhood-oriented commercial uses in areas that are currently auto-dependent, allowing more people to live closer to parks and schools, while upgrading the walking, biking, and transit connections among homes and daily needs in our neighborhoods. Proximity, along with safe walking and biking routes, can eliminate the need for car trips. That proximity – replacing long trips for daily needs with short trips – in turn creates a virtuous cycle that removes the need for car trips and allows more of the right-of-way to be repurposed for public space, safe biking and transit access, and safe, convenient, quieter, and more pleasant walking routes. The Seattle Transportation Plan and resulting multi-year package of capital projects will be critical to successfully realize this strategy.



Figure 11: In Belltown, pedestrian infrastructure and access to shops and transit make it possible to run errands without a car. Photo credit: SDOT.

A journey toward balance and equity

The Planning Commission recognizes that the evolution toward a more balanced transportation network and greener, more broadly accessible public space will be long and laden with trade-offs. We recognize that certain road types – such as those critical for freight mobility – might not change according to this framework. In addition, various corridors could see priorities shift over several miles. Some segments might favor car movement, while most other stretches would see much slower vehicle speeds. Some could evolve to become entirely car-free zones. Regardless of function, as many streets as possible would see more trees, vegetation, and other green infrastructure to reduce and treat stormwater. Many of these changes will come slowly, if at all, unless the City facilitates and streamlines the budgetary and coordination issues across SDOT, Seattle Public Utilities, Parks and Recreation, and other departments.

The journey toward more equitable, less deadly, and more climate-proof allocation and design of our rights-of-way starts with a clear-eyed policy declaration in the Comprehensive Plan that the longstanding – if undeclared – primacy of private motor vehicle throughput and storage must be set aside. As we have noted, this neither anticipates nor calls for elimination of privately-owned vehicles. It merely acknowledges and seeks to adapt to the accumulating circumstances – rising traffic violence, congestion, climate impacts, and a crying need for travel options and public space – that require us to be more flexible and creative in our use of space than we have allowed ourselves to be in the past.

The Seattle Planning Commission acknowledges that change will not be instantaneous – nor should it be – and that there are many difficult policy and budgetary choices to be made to ensure a just transition. However, we are confident that Seattle has the civic wherewithal to make the shift over the 20-year life of the next Comprehensive Plan.



Meeting the Challenge: Supporting Affordable Housing in the Comprehensive Plan

November 2022

The Seattle Planning Commission advises City of Seattle elected officials and staff on policies and programs related to land use, housing, transportation and related issues. As stewards of the Comprehensive Plan, the Commission actively engages in the annual review of amendments to the Plan and a robust and iterative review of the major updates to the Plan that occur every seven or so years.

In 2021, the Commission offered [recommended overarching themes to guide the next major update](#). As a follow up to those recommendations, we are preparing a series of issue specific briefs. The following brief is the fourth in the series and focuses on how the City can utilize the Comprehensive Plan major update to analyze, support, and reduce barriers to subsidized affordable housing efforts within the City.

Introduction

Seattle is in the process of a major update to the city's Comprehensive Plan, which is a multi-year effort to set a vision and policies to guide growth and change over the next 20 years. As stewards of the Comprehensive Plan, the Seattle Planning Commission will weigh in throughout the major update process with a series of comment letters and issue briefs to offer recommendations to elected officials and City staff. Following the [Recommended Themes for the Comprehensive Plan Major Update](#) letter, this issue brief dives further into subsidized affordable housing in Seattle and discusses how the Comprehensive Plan major update process can be used to address this piece of housing affordability.

Affordable housing can be defined in a variety of ways, from lower cost housing available on the open market, to income-restricted housing that is managed outside of the market and available at an affordable rate to households who qualify. Given the high cost of housing in Seattle, the need for more affordable housing options spans from extremely low-income households making 0-30 percent Area Median Income (AMI) all the way up to households making over 100 percent AMI.¹ There are many models of subsidized affordable housing, and developers and residents can receive subsidies from the Federal government, the State government, the City, and other public and private grant opportunities. For the purposes of this brief, we will be focusing on subsidized affordable housing that receives funding from the City of Seattle.

The City of Seattle is already working hard to provide affordable housing, but the need is enormous. Finding ways to address barriers and leverage existing resources to advance affordable housing must be a priority during the Comprehensive Plan major update process. The Commission recognizes that any conversation about affordable housing is also intricately tied to how the city approaches growth overall and the potential for displacement. We dig into these topics further in our previous issue briefs on the City's [Growth Strategy](#) and on [Anti-Displacement](#) strategies. This issue brief will explore the current gap in affordable housing in Seattle and will outline the Planning Commission's recommendations for utilizing the Comprehensive Plan major update process to improve affordable housing access.

1 BERK for City of Seattle. "Market Rate Housing Needs and Supply Analysis." City of Seattle, April 2021. <https://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/HousingChoices/SeattleMarketRateHousingNeedsAndSupplyAnalysis2021.pdf>, 49.

A Note on Area Median Income

Area median income (AMI) is used by affordable housing providers and researchers to measure eligibility for income- and rent- (or sales price) restricted units. AMI indicates the midpoint of an area's income distribution – half of households earn less than the median, and half earn more. Although AMI as a measure cannot fully describe the many layers of affordability, it is an important benchmark used nationally to administer federal, state, and local programs.

Understanding AMI can help illuminate how income-restricted units are distributed in Seattle and highlight some of the challenges that policies based on AMI face. For example, policies that rely on AMI to measure eligibility can be insensitive to the wide income disparities in our region. The U.S. Department of Housing and Development (HUD) uses a metro area model that includes other cities in King and Snohomish Counties to determine the AMI limits for the Seattle-Bellevue HUD Metro Area. When AMI limits are based on such a large area, they do not reflect the income variation experienced between cities and neighborhoods. As AMI limits increase, the maximum rent that can be charged for income-restricted units increases as well, which can put pressure on households whose incomes are not keeping pace with income growth in the area.

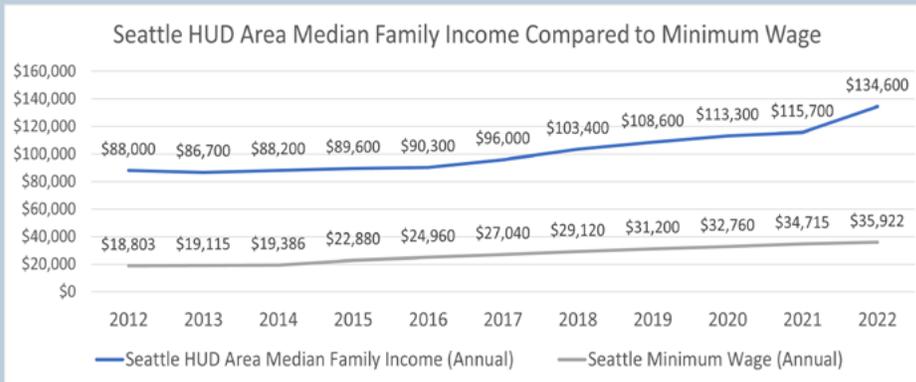


Figure 1: Seattle Area Median Family Income compared to minimum wage from 2012 to 2022. Sources: HUD Income Limits 2012-2022; Seattle Office of Labor Standards minimum wage 2012-2022.

Figure 1 shows that the change in minimum wage over time has not grown as quickly as the AMI. A household relying on minimum wage cannot afford to pay more for rent simply because incomes in the area have increased overall. The HUD income limits also assume households with more people can afford to pay more (see figure 2) but a four-person household may have the same number of income-earners as a two-person household. Understanding the weaknesses of AMI as a measure helps to highlight why even with an increasing number of income-restricted units entering the system, many households require additional assistance to meet their housing needs.



Figure 2: Seattle Area Income Limits for each income range compared to incomes from common professions. Sources: HUD Income Limits, 2022; U.S. Bureau of Labor Statistics for Seattle-Tacoma-Bellevue, WA, 2021.

Exploring the Affordable Housing Gap

Limitations of the Housing Market

A 2021 study of Seattle’s market rate housing showed a shortage of close to 21,000 rental units available to households with incomes at 80 percent of AMI or below.² The same study indicated that Seattle is gaining jobs at a faster pace than it is producing housing while also seeing median home values increase at a faster rate than median household incomes. Figure 3 shows the changes in housing costs over time compared to median incomes in King County. Housing costs for both homeowners and renters have increased dramatically over the last ten years. While rents have trended closer to median income growth than home purchase prices, an influx of high-paying jobs pulled the median income higher while masking stagnant lower incomes for some households. The COVID-19 pandemic further exacerbated already precarious financial situations for many households, with reduced or lost income impacting housing security.³ These factors combine to create a highly competitive housing market where low-income households are priced out of the rental market, fewer families can utilize homeownership to build wealth, and many households experience instability and uncertainty in their housing.

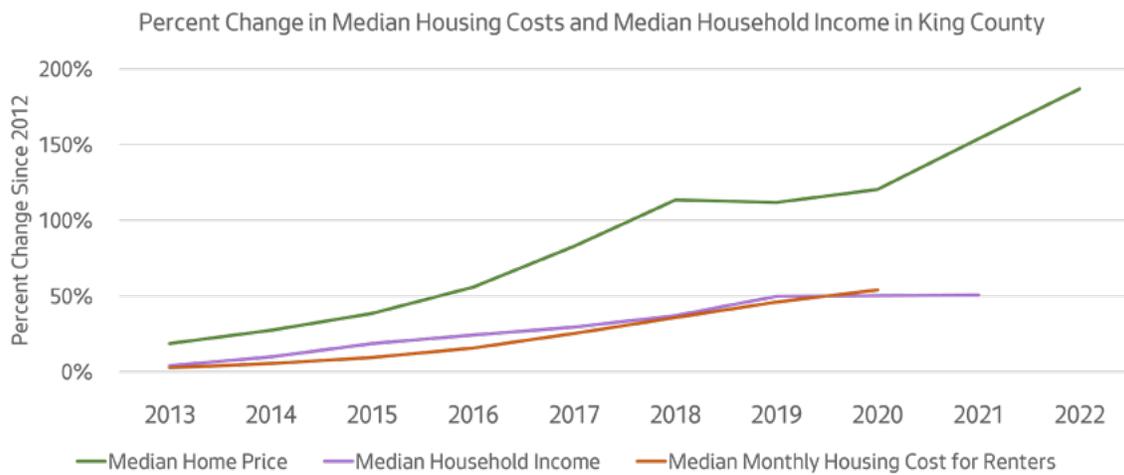


Figure 3: Chart comparing percent changes in median home price, median household income, and median housing costs for renters for King County using 2012 numbers as a base. Sources: PSRC, 2022; OFM, 2022; ACS 5-year survey, 2012-2020.

Rising prices, limited housing supply, and stagnant incomes have made housing less affordable for everyone but have particularly exacerbated the situation for extremely low-income households. An early estimate of projected housing need by income band from the Washington State Department of Commerce shows that a large percentage of housing growth accommodated through the next Comprehensive Plan will need to serve low-income households. Draft projections suggest nearly 40 percent of the net new housing needed in King County by 2044 will need to serve households in the 0-30 percent AMI range.⁴

2 Ibid, ii.

3 King County. "Housing Security in King County Dashboard," 2022. Accessed 8/23/2022. <https://kingcounty.gov/depts/health/covid-19/data/impacts/housing.aspx>

4 King County Affordable Housing Committee. "Countywide Need Projections by Income Band Dashboard," 2022. Accessed 8/17/2022. https://tableaupub.kingcounty.gov/t/Public/views/AllocationMethodComparisonsUpdated/AllocationsStory?%3Aembed=y&%3AisGuestRedirectFromVizportal=y&%3Aorigin=card_share_link

In 2017, 65 percent of Seattle households at or below 30 percent AMI were severely cost burdened, meaning they spent more than 50 percent of their income on housing. At the time, Seattle had 43,945 households at 0-30 percent AMI and only 19,330 housing units affordable to this income range.⁵ Through a combination of efforts by the City, community organizations, Public Development Authorities (PDAs), and non-profit developers, Seattle managed to maintain six percent of its total housing stock affordable to households at or below 30 percent AMI, which is one of the highest rates in the region.⁶ The portion of the population who needs housing at this level of affordability, however, is 15 percent and, as not all of the housing affordable at this range is income-restricted, some of the units may be held by households in higher income bands.

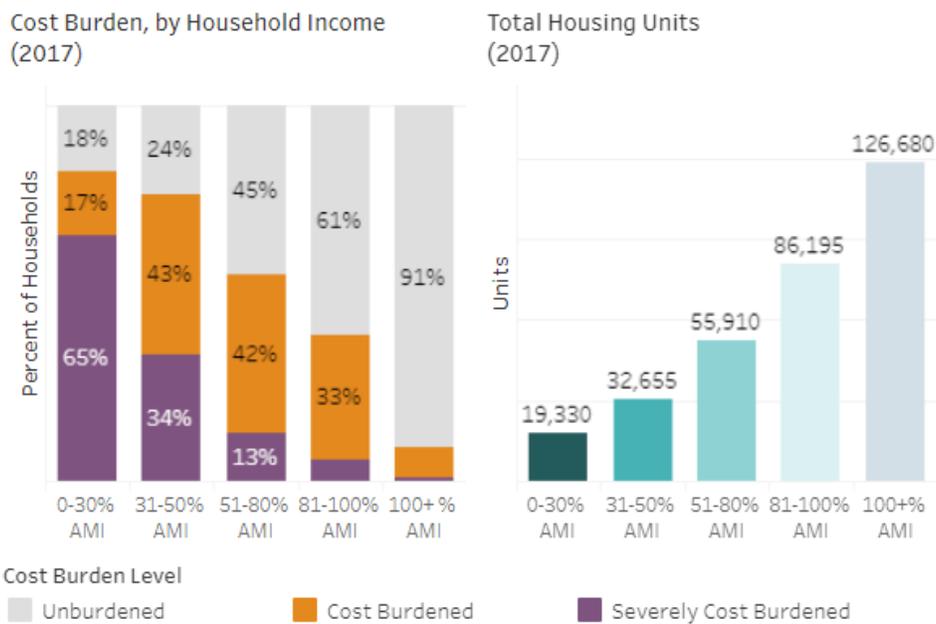


Figure 4: Housing affordability indicators for Seattle. Sources: CHAS 2013-2017; King County Regional Affordable Housing Dashboard.

The housing market will not produce enough housing for this income range on its own, and additional subsidy needs exist for households making between 31-80 percent AMI as well. Some existing affordable housing programs in Seattle such as Mandatory Housing Affordability (MHA) and Multi-Family Tax Exemption (MFTE) also struggle to provide affordable units for the lowest-income households. Due to the challenge of financing such deeply subsidized units, these programs typically require developers only subsidize units to be affordable at the 40 to 80 percent AMI range. Much of the production of units to support households in the 0-30 percent AMI range falls to non-profit developers and PDAs. Providing enough units for the lowest income households at the scale Seattle needs will require additional government subsidy and new models of developer incentives.

5 King County Affordable Housing Committee. "Regional Affordable Housing Dashboard," 2022. Accessed 8/17/2022

6 Ibid

Subsidized Affordable Housing in Seattle

Seattle has a long history of supporting affordable housing through subsidies, development incentives, and partnerships with community organizations and non-profit developers. The first Seattle Housing Levy was approved by voters in the 1980s to provide dedicated funding toward the production and preservation of affordable rental and homeownership units. The Seattle Housing Authority was formed even earlier in 1939 and has partnered with the City to build and manage subsidized housing for low-income households for over 80 years. In recent years, Seattle has intensified its efforts to address the affordability crisis by doubling the Housing Levy in 2016, enhancing the Mandatory Housing Affordability program in 2019, and dedicating funds from the Payroll Expense Tax created in 2020, among other efforts. Appendix 1 provides a list of the many programs, funding sources, and supportive policies Seattle has created to improve access to affordable housing.

By the end of 2021, a total of 15,600 units of subsidized affordable rental housing supported by City funds were available to low-income households in Seattle. Although this total number of units is impressive, it represents the culmination of decades of work and resources. The pace for creating income-restricted housing is simply too slow to keep up with the need. In 2021, Seattle dedicated an unprecedented \$143 million in local funds toward the production and preservation of affordable housing.⁷ Even if this elevated level of funding is maintained over time, the scale of need for more subsidized units looms large over the City. An estimate by the King County Affordable Housing Committee in 2020 showed that despite the millions of dollars available to County jurisdictions through federal, state, and local funds, the total funding gap to reach affordable housing goals for the county was nearly \$15 billion dollars over a six-year time frame.⁸ While some of this gap could be expected to be filled by federal and state sources, Seattle's current affordable housing contributions would need to scale up dramatically to meet its portion of the estimated need. To do this, new funding resources, supportive policies, and partnerships will need to be identified.

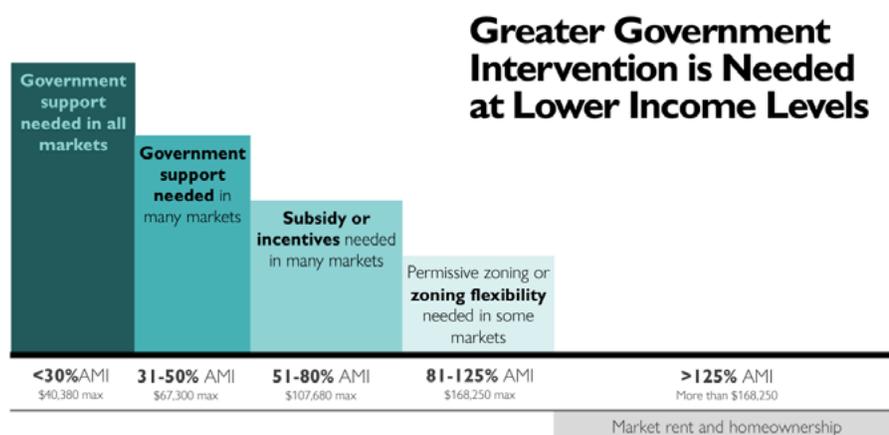


Figure 5: Different levels and types of government intervention are needed at each level of affordability. Source: King County Affordable Housing Committee, 2022.

⁷ Office of Housing. "Annual Report 2021: Seattle Housing Investments," 2022. Accessed 8/15/2022. <https://www.seattle.gov/documents/Departments/Housing/Footer%20Pages/Data%20and%20Reports/2021%20OH%20Investments%20Report.pdf>, 12-13.

⁸ King County Housing Interjurisdictional Team. "Draft Shared Principles to Guide Future Affordable Housing Revenue Decisions," 2020. Accessed 8/18/2022. https://kingcounty.gov/~media/depts/community-human-services/housing-homelessness-community-development/documents/affordable-housing-committee/Meeting_09-30-2020/Draft_AHC_Shared_Revenue_Principles_Memo.ashx?la=en

Regional Affordability Challenges

Seattle's housing affordability gaps are related to a larger, regional shortage of housing units. The Puget Sound Regional Council (PSRC) estimates that the region needs approximately 46,000 more units of housing just to address the current backlog and will need a total of 810,000 new housing units by 2050 to accommodate population growth.⁹ Of that new housing, PSRC estimates that around 34 percent would need to be affordable to households making less than 80 percent AMI. Households who cannot afford to find housing in Seattle often look to move out to the surrounding areas, all of which now also have a housing shortage among units for the lowest-income households.¹⁰ Although not a focus of this paper, the regional homelessness crisis is also tied to the limited supply of affordable housing. Colburn and Aldern (2022) argue that structural factors in the strained housing market, such as high rental prices and low vacancy rates, are behind Seattle's relatively high rates of homelessness compared to other metropolitan areas.¹¹ Seattle cannot address the housing crisis without considering the regional context and must continue to be a leader in generating funds and policies that make it possible to meet affordable housing needs. In collaboration with regional jurisdictions, PSRC adopted a Regional Housing Strategy to guide local cities on how to address affordable housing during the Comprehensive Plan major update cycle. Seattle will need to find ways to tailor the strategies to meet the specific needs of the city's low-income communities.¹²

Limited Access to Homeownership and Disparate Impacts for BIPOC Communities

In addition to placing an outsized burden on low-income households, Seattle's housing market has disparate impacts for Black, Indigenous, and People of Color (BIPOC) communities. Overall, people of color are less likely to own a home in Seattle and more likely to be subject to rapidly rising rents and instability in their housing options. Black households are most impacted, with only 23 percent of Black households owning a home in 2020 compared to 50 percent of white households in Seattle.¹³ Other racial and ethnic groups also experience lower homeownership rates than white households, with Asian households at 43 percent, Native American households at 34 percent, Native Hawaiian and Pacific Islander households at 30 percent, and Hispanic or Latino households at 27 percent.¹⁴ The homeownership gap becomes even more stark when further disaggregated by income and specific communities within the categories above.¹⁵

9 Puget Sound Regional Council. "Regional Housing Needs Assessment Executive Summary," 2021. <https://www.psrc.org/sites/default/files/rhna-execsummary.pdf>, 4.

10 King County. "Countywide Housing Need Allocation Weighting Options – Housing Units by AMI Bands," 2022. Accessed 9/7/2022. https://tableaupub.kingcounty.gov/t/Public/views/NeedAllocationWeightingMethodologyMaps/Dashboard?%3Aembed=y&%3AisGuestRedirectFromVizportal=y&%3Aorigin=card_share_link

11 Colburn, Gregg and Clayton Page Aldern. *Homelessness is a Housing Problem: How Structural Factors Explain U.S. Patterns*. Oakland, California: University of California Press, 2022.

12 Puget Sound Regional Council. "Regional Housing Strategy," 2022. https://www.psrc.org/sites/default/files/2022-04/regional_housing_strategy_2021_finalized_2022.pdf

13 American Community Survey 5-year 2020, for City of Seattle. Census Bureau. Accessed 8/19/2022. <https://www.seattle.gov/documents/Departments/OPCD/Demographics/CommunityIndicatorsReport2020.pdf>

14 Ibid. Note: Due to small sample sizes, the homeownership rates for populations such as Native American and Pacific Islander households are subject to larger margins of error and are not as reliable.

15 OPCD. "Equitable Development Community Indicators Report," 2020. Accessed 8/18/2022. https://seattlecitygis.maps.arcgis.com/sharing/rest/content/items/f4d08d38d6604abdb7139533230ecf3b/data_23

Homeownership provides an opportunity to build wealth and pass on improved conditions to future generations. BIPOC households, particularly Black households, have been systematically excluded from this opportunity through decades of racist housing policies, plans, and practices such as [racially restrictive covenants](#), [redlining](#), and [single-family zoning](#). The systematic exclusion has long-term consequences, as it prevented BIPOC families from building the same level of intergenerational wealth as white families. That wealth can help families to weather financial challenges and reinvest their equity for other uses, such as college tuition.¹⁶ Additionally, children in renter households are more likely to face disruption due to frequent moves and less likely to live in Seattle’s neighborhood residential areas, which often have better access to resources such as high-performing schools and open space for recreation.¹⁷ As renters, households of color are also more likely to be cost-burdened and face the displacement pressures of rising rents (see Figure 6). A [racial equity analysis](#) of Seattle’s Comprehensive Plan by PolicyLink in 2021 provides a more in-depth look at the inequitable outcomes of Seattle’s current housing market and land use strategy.¹⁸

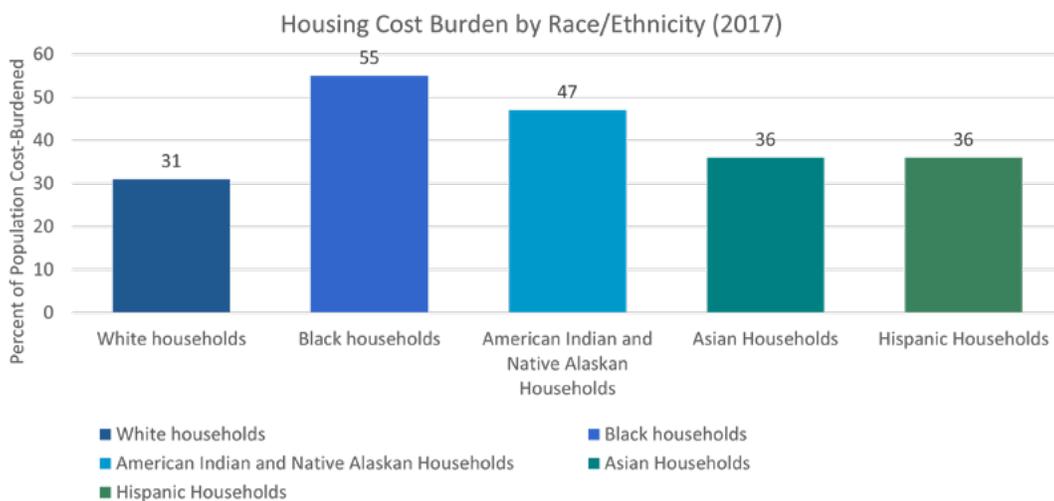


Figure 6: Percentage of households that were housing cost burdened as of 2017, categorized by race/ethnicity. Source: King County Regional Affordable Housing Dashboard, 2013-2017 CHAS data.

While the Office of Housing has a program to support households with down payment assistance and has funded many homeownership projects over time, the current scale of income-restricted homeownership opportunities is not enough to shift inequitable patterns of homeownership in Seattle. A vast majority of Seattle’s affordable housing funds are directed toward rental units, which are an important resource, but may not have the same ability to alter the long-term housing trajectory of a household as homeownership. The City needs to provide additional homeownership opportunities that are affordable to low-income households. The effort should include a specific emphasis on subsidized homeownership opportunities for BIPOC households that can work to repair the harms of past housing policies.

16 Prosperity Now. "Racial Wealth Divide in Seattle," 2021. <https://prosperitynow.org/sites/default/files/Racial%20Wealth%20Divide%20Profile%20Seattle%20FINAL%203.2.21.pdf>

17 PolicyLink. "Advancing Racial Equity as part of the 2024 Update to the Seattle 2035 Comprehensive Plan and Urban Village Strategy," 2021. Accessed 8/18/2022. <http://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/Seattle'sComprehensivePlan/ComprehensivePlanPolicyLinkFinalRecommendations.pdf>, 5.

18 Ibid.

Affordable Housing and Land Use

Seattle's current land use strategy limits where affordable housing can be placed, reducing access to certain neighborhoods and their resources for low-income households. Most subsidized affordable housing is produced in the form of mid- to large-sized apartment buildings, which are only legal to build in limited areas in the city (see Figure 7). The map in Figure 8 of city-funded subsidized rental units follows this same pattern, with most of the units placed in existing urban villages and along transportation corridors. Figure 9 shows that new income-restricted affordable housing is typically included in large projects with 50 or more units.

The prevalence of affordable housing in large projects is often attributed to the cost of construction - it is too expensive to build smaller projects with income-restricted units. When 75 percent of residential area in the city does not allow multi-family housing, housing overall is more expensive and opportunities for placing affordable housing are restricted.¹⁹

We need to open up the opportunities and options for low-income households to live in Seattle. Increasing the overall supply of housing so that it keeps pace with demand is an important strategy for promoting affordability. Reducing development costs and barriers is one way to better align housing supply with demand and market conditions. The Comprehensive Plan major update is a chance to review the land use strategy to ensure it increases housing production. New regulations or improvements that flow from the major update can reduce identified barriers and create opportunities to build more affordable homes, such as in smaller buildings that fit into the City's evolving vision for Neighborhood Residential and Lowrise Multifamily zones.

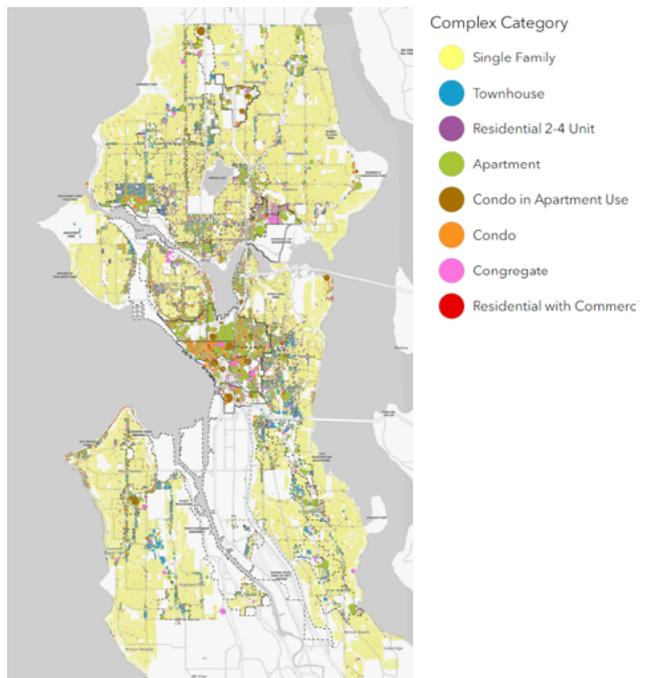


Figure 7: Map of residential units by type. Shows that apartments, condos, and congregate housing options are found in limited areas of the city. For a larger image, see Appendix 2. Source: City of Seattle Residential Unit Types and sizes Dashboard, July 2022.

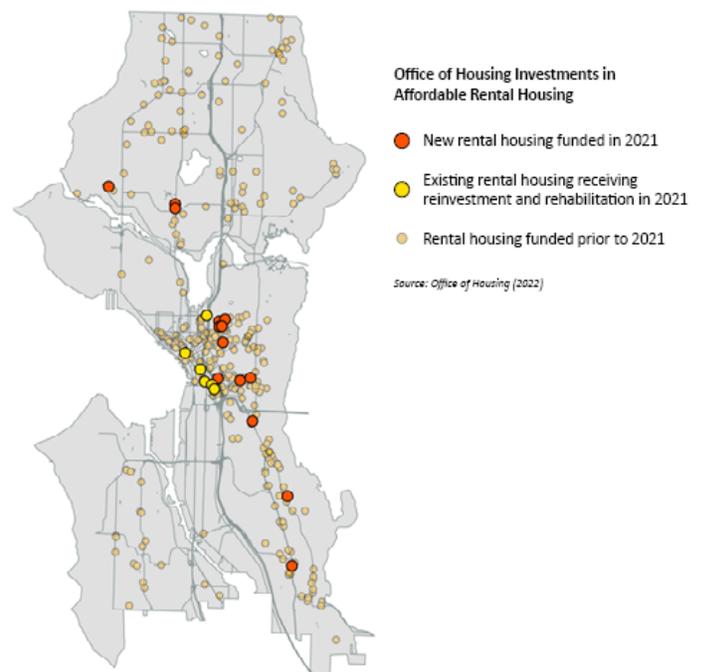


Figure 10: A map of city-funded multi-family rental housing investments. For a larger image, see Appendix 2. Source: Office of Housing, 2022.

¹⁹ Seattle Planning Commission. "Neighborhoods for All," 2018. <https://www.seattle.gov/documents/Departments/SeattlePlanningCommission/SPCNeighborhoodsForAllFINALdigital2.pdf>, 17.

Total Number of Units in Buildings Under Development with Affordable Housing (2019)

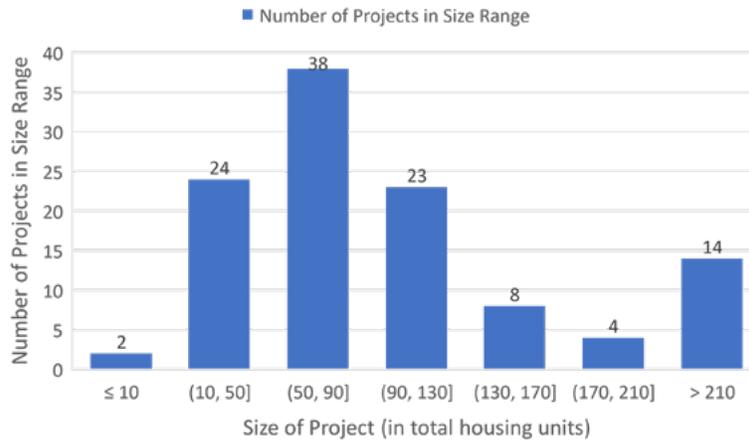


Figure 8: Chart showing the distribution of building sizes for projects that included affordable housing that were under development in 2019. Most of the projects had 50 or more total units. Source: [Office of Housing, 2022](#).

Current development patterns also create inadequate access to family-sized housing, particularly for low-income families. As the Planning Commission discussed in a 2014 report titled [Family Sized Housing](#), affordable, family-sized housing is limited in Seattle and increasing access to this housing type is necessary to avoid pushing out families with children.²⁰ The chart in Figure 10 shows the average number of bedrooms by building type in Seattle. Families seeking a home with three or more bedrooms are mostly limited to a townhome or single-family home, which is an unaffordable housing type in Seattle for many households. Apartments with three or more bedrooms are rare. While non-profit developers are working to add more family-sized income-restricted units, the supply is limited.

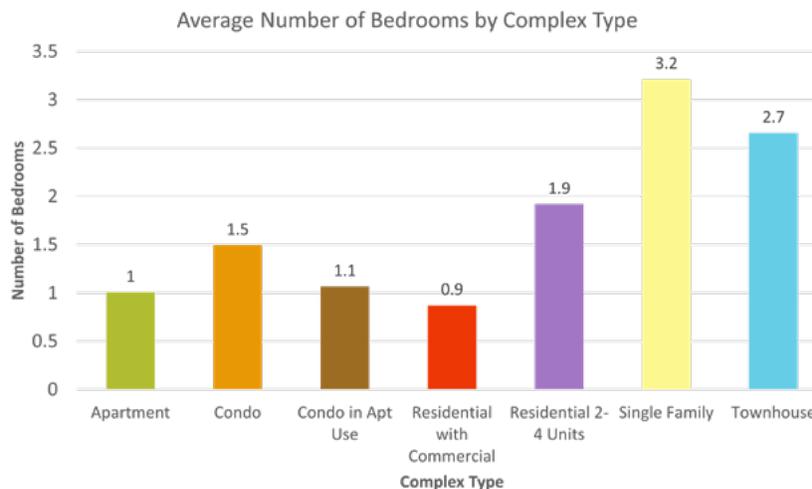


Figure 9: Average number of bedrooms per home by complex type, demonstrating that the average apartment in condo in Seattle has less than two bedrooms. Source: City of Seattle Residential Unit Types and Sizes Dashboard, July 2022.

20 Seattle Planning Commission. "Family Sized Housing: An Essential Ingredient to Attract and Retain Families with Children in Seattle," 2014. Accessed 9/7/2022. <https://www.seattle.gov/documents/Departments/SeattlePlanningCommission/SPCFamilySizedHousingActionAgenda.pdf>

The City's growth strategy and land use policies will need to change for these patterns to change. As the City gathers information for the growth strategy and housing elements of the Comprehensive Plan, new guidelines under [House Bill \(HB\) 1220](#) require the land capacity analysis to consider housing needs under each AMI band and for permanent supportive housing and emergency housing/shelter. The City will need to look at different types of housing, with options for both rental and homeownership, and consider what models best meet the needs of households at each income range. Analysis will need to show whether current land use rules can accommodate enough variety in housing types and volume of each type to meet estimated need. The data gathered through this process will be critical for shaping housing policies in the Comprehensive Plan.

Opportunities for the Comprehensive Plan Major Update

The Comprehensive Plan major update process is an opportunity to take a deeper look at Seattle's specific affordability needs and create a policy and land use environment that can best support subsidized affordable housing. The Planning Commission offers the following recommendations for consideration during the major update process:

- *Utilize a targeted community engagement approach during the Comprehensive Plan update process to gain a deeper understanding of how communities most disproportionately impacted by the affordable housing crisis and housing cost burden would like to see regional housing strategies applied locally.* While the affordable housing crisis is regional in nature and there is an [ongoing region-wide effort](#) to address it, Seattle will need to tailor the strategies to meet local housing needs. The local strategies should be informed by input from disproportionately impacted communities and the large-scale community engagement effort during the major update process is an opportunity to gather that input.
- *Analyze and provide sufficient land capacity to accommodate Seattle's share of housing needs, including determining what housing types best support each level of affordability.* To accommodate new requirements under HB 1220, Seattle will need to do a land capacity analysis for each level of housing affordability and special housing types such as permanent supportive housing and shelters. In addition to determining if the City has enough capacity to accommodate the projected number of new units needed, the analysis must determine if land use policy supports the types of housing it will need at each level of affordability. Can current capacity assumptions and regulations support enough of those types of housing? If the analysis finds gaps, the growth strategy and housing policies selected for the Comprehensive Plan will need to accommodate the identified housing types and provide sufficient capacity.
- *Consider how the growth strategy and housing policies can be altered to better support the production and preservation of subsidized housing for extremely low-income households.* One of the largest areas of need is projected to be new units serving households at 0-30 percent AMI, which cannot be met through the open market and will require additional government subsidy. The City must consider what growth strategy and housing policies will be necessary to support the production of housing affordable to households at or below 30 percent AMI. Can land use

code create opportunities for affordable housing to be built in more areas of the city? What development regulations, building codes, and other barriers can be addressed to make it more likely that the necessary types of subsidized housing (including shelters, permanent supportive housing, and subsidized units constructed by non-profit developers and PDAs) will be built? The growth strategy should also be assessed for its ability to increase the production of housing overall to release some of the pressure on the housing market. The Comprehensive Plan can lay the foundation for reducing development costs and barriers to better align housing supply with demand and market conditions.

- *Conduct an analysis of existing affordable housing programs citywide and determine where there are opportunities within the Comprehensive Plan major update to strengthen and better support existing programs.* While the City has developed many programs and policies to address the affordable housing crisis, the implementation of the Comprehensive Plan major update provides the chance to look for gaps in existing policies or ways to provide additional support to programs. Consulting with department-specific specialists who know the programs inside and out can help identify opportunities to remove barriers and scale up existing efforts. Seattle has not yet pulled all potential levers for affordable housing and could do more to explore areas such as housing preservation and affordable homeownership through limited equity cooperatives and community land trusts.
- *Find explicit ways to repair harms experienced by BIPOC communities due to a lack of access to affordable housing over time.* As the City looks for ways to improve affordability across all income groups, build more subsidized affordable housing, and increase homeownership opportunities, it will be important to determine how the benefits of those changes can be applied in an equity-focused, restorative way. The Comprehensive Plan major update is an opportunity to expand upon the ideas behind existing programs such as the Community Preference policy and the Equitable Development Initiative and to push beyond existing strategies. Using information gathered during the racial equity analysis, the City should tie an analysis of historical disparities experienced by BIPOC communities to policies that can be used to push past the lingering outcomes of those disparities. Goals for racial equity in affordable housing should be developed in consultation with the communities most impacted. Existing resources and reports such as the [Advancing Racial Equity](#) report by PolicyLink²¹ and the [Disaster Gentrification Report](#) by Puget Sound Sage and partner organizations²² provide a place to start for specific policy ideas.
- *Assess how current housing options in Seattle are serving the needs of households looking for affordable family-sized housing, inter-generational housing, housing with accommodations for the elderly and for people with disabilities.* Where gaps are identified, create supportive policies to increase access to housing types that support the needs of these groups. The Commission

21 PolicyLink, *Advancing Racial Equity*, 11.

22 Puget Sound Sage, Multicultural Community Coalition, and Rainier Beach Action Coalition, 2021. *Disaster Gentrification in King County*. Accessed 9/8/2022. <https://www.pugetsoundsage.org/research/research-equitable-development/disaster-gentrification-king-county/>

recognizes the challenges of addressing this issue at the Comprehensive Plan level and that additional work at other policy levels will need to follow but we believe the foundation can be set by policies in the Comprehensive Plan.

Conclusion

The City of Seattle has demonstrated a renewed commitment to improving access to affordable housing for Seattle communities in recent years, yet the need continues to outpace the City's response. The Comprehensive Plan major update is an opportunity to assess the needs of communities impacted most by the affordable housing shortage and to bolster existing affordable housing strategies through supportive policy updates. Working with impacted communities and regional partners, the City must prioritize identifying resources for and removing barriers to the production and preservation of affordable housing in this next iteration of the Comprehensive Plan.

Appendix 1: Seattle's Existing Programs and Initiatives to Support Affordable Housing

Appendix 2: Maps

Appendix 1

Seattle's Existing Affordable Housing Approach: Programs and Initiatives Overview

Funding

- [Seattle Housing Levy](#)

The Seattle Housing Levy is a voter-approved property tax levy focused on creating and preserving affordable housing. Housing Levy funds have supported the creation and preservation of over 14,000 rental homes affordable to households earning up to 60 percent AMI and have assisted over 900 first-time and existing low-income homeowners earning up to 80 percent AMI. The Housing Levy has also provided long-term and consistent operating, maintenance, and services support for over 1,300 affordable homes serving households with incomes at or below 30 percent AMI. Over the past 40 years, Seattle voters have consistently approved the Housing Levy, and in 2016 the current levy received a 70% approval rate from voters. With the current Housing Levy set to expire at the end of 2023, the Office of Housing is now developing a proposal to renew it.

- [Mandatory Housing Affordability \(MHA\)](#)

MHA requires new developments to support affordable housing by either including affordable units with a project (the performance option) or paying a fee that the City will then use to develop affordable housing (the fee-in-lieu option). MHA zoning was adopted in 2017 and expanded in 2019 to now cover most areas zoned for commercial and multifamily residential development. The requirements vary by each MHA zone in terms of the amount of affordable housing the project must support (through performance or in-lieu payments), but properties selecting the performance option must provide rental units affordable to households with incomes at or below 40 percent AMI for small units (400 square feet or less) or at or below 60 percent AMI for units larger than 400 square feet and the homes must serve income-eligible households for a minimum of 75 years. MHA units built for homeownership must be affordable to households with incomes of 80 percent AMI or below. The units developed with fee-in-lieu funds are often blended with other subsidies from the Office of Housing and outside sources and result in more deeply affordable units.

The MHA program has successfully generated both new affordable units and funding that the Office of Housing can use to support low-income housing across the city. As of December of 2021, MHA has generated over \$170 million in in-lieu funds, \$150 million of which has already been awarded for the creation and preservation of over 3,000 low-income housing units and which represents a significant portion of the City's affordable housing investments.

- [Incentive Zoning \(IZ\)](#)

Incentive Zoning is an optional program that allows developers of residential and non-residential projects to receive a development bonus in exchange for affordable housing commitments. Each zone has different requirements for affordable housing or in-lieu payments required for a given development bonus. Incentive Zones with affordable housing requirements were largely phased out when MHA fee areas were implemented, but a few Incentive Zones are still in place in the Downtown and South Lake Union neighborhoods. Although the Incentive Zoning program has ramped down as it is replaced by expanded MHA, the program still generated 61 units of affordable housing and \$1.8 million in Incentive Zoning payments in 2021.

- [Payroll Expense \(Jumpstart\) Tax](#)

In 2020, Seattle City Council approved a new tax on businesses paying more than \$7 million a year in payroll. Part of the funds generated by the new tax are earmarked for affordable housing. The exact amount of funds generated each year will vary and will be difficult to predict but the tax generated over \$230 million in 2021, \$97 million of which was used to help fund affordable housing and related services.¹

- [Transportation Network Company \(TNC\) "Fare Share" Tax](#)

In 2019, City Council approved a tax on transportation network companies like Uber and Lyft. A small portion of the revenue generated for the tax is intended to fund affordable housing in transit-oriented developments. The tax went into effect in July of 2020 and City Council used \$1.3 million of the revenue from the tax toward affordable housing in the 2022 adopted budget.²

- Sales of City Property

The City of Seattle occasionally sells properties that are no longer needed for City purposes and has in the past used the proceeds from these sales to fund affordable housing. These sales are often one-offs that do not provide ongoing funds but can be a significant resource of one-time funding. A recent example includes the Mercer Mega Block sale in 2020 which brought in over \$143 million to the City, a large portion of which was dedicated to affordable housing.

1 City of Seattle, 2022. Councilmember Mosqueda, Housing Providers Announce 17 Affordable Housing Projects Made Possible by JumpStart Seattle. Council Connection. <https://council.seattle.gov/2022/07/21/councilmember-mosqueda-housing-providers-announce-17-affordable-housing-projects-made-possible-by-jumpstart-seattle/>

2 2022 Adopted Budget Executive Summary

Programs & Initiatives

- [Rental Housing Production and Preservation](#)

The Office of Housing works to fund and preserve rental housing for low-income households, generally at or below 60% AMI. The housing units created under this program are required to remain affordable for a minimum of 50 years. Each year the Office of Housing opens application periods where affordable housing developers can apply for funds. OH has a detailed set of [funding policies](#) that help determine how funds are distributed but a key element of their funding priorities is to try to leverage additional funds from other sources such as federal and state investments. Further priorities include projects that support specific resident populations considered high-priority and projects that meet certain location priorities.

- Permanent Supportive Housing (PSH)

PSH is a strategy to break the cycle of homelessness by providing long-term housing with associated services to those experiencing chronic homelessness. Permanent Supportive Housing is a key part of the regional homelessness strategy and is also one of the more complex and costly components to implement. Seattle City Council has approved [several changes to land use code](#) that smooth the way for permitting and constructing permanent supportive housing in Seattle by reducing design review requirements, reducing some permitting requirements and expanding the areas where PSH is allowed. In order to operate successfully, PSH housing needs ongoing operating and maintenance support.

- Rapid Acquisition Program

The Office of Housing supports the purchase of newly constructed, private market apartment buildings throughout Seattle to provide affordable housing on an accelerated timescale. The Office of Housing, in partnership with the Washington State Department of Commerce, created the Rapid Acquisition Program in 2021 to take advantage of unique real estate market conditions and an exceptional availability of public funds for affordable housing, both brought about by the COVID-19 pandemic. Both public agencies continue to make funds available for such purchases in 2022.

- [Permanently Affordable Homeownership Programs](#)

The Office of Housing funds the development of new, for-sale permanently affordable homeownership units for low-income households at or below 80% AMI. Homes are re-sale restricted to ensure that the homes remain affordable to successive generations of low-income homebuyers while also providing some equity returns to the homeowner. Homes must be affordable for a minimum of 50 years.

- [Home Weatherization](#) and [Home Repair](#) Programs

The Office of Housing funds critical repairs and weatherization upgrades to improve the energy efficiency, health, and safety of homes for low-income households. The repairs and updates can help families stay in their homes and communities and improve quality of life.

- [Multifamily Tax Exemption \(MFTE\)](#)

MFTE is an optional program that allows developers and property owners to receive a property tax exemption on eligible multifamily housing if they provide income- and rent-restricted housing units in exchange. MFTE encourages mixed-income residential development. MFTE tax exemptions and income restrictions last for 12 years on each project. Projects may also opt to leave the MFTE program at any time. MFTE units support a wide range of income levels, based on the size of the unit and the MFTE program the project was vested under. A majority of the units serve households between 60 and 85 percent AMI.

- Acquisition and Preservation Program & Rental Production and Preservation Program

The Acquisition and Preservation Program along with the Rental Production and Preservation Program allow for Housing Levy funds to be used with some flexibility as needed to maximize Levy funds. The Acquisition and Preservation Program allows for unused Levy funds to be used for short-term loans for the rapid acquisition of strategic sites for affordable housing. The Rental Production and Preservation Program allocates Levy funds to the Office of Housing's Rental Housing Program to produce and reinvest in affordable housing but also allows for a small portion of the funds to be used annually for Rental Rehabilitation Loans. With an agreement to provide affordable units to low-income tenants, property owners can receive loans from the funds to improve the condition of the housing.

- [Equitable Development Initiative \(EDI\)](#)

The Equitable Development Initiative started in 2017 as a strategy to address displacement and redistribute resources and opportunities for Seattle communities. The initiative provides funds to community organizations and coalitions to support projects centered on housing, education, cultural space, jobs, food, and other needs identified by communities. While only some of the projects supported by the EDI include affordable housing, the housing produced by these projects is often owned and operated by community organizations who want to keep land and resources within community control. As a result, the housing produced is likely to remain affordable and available to communities for longer than units created by developers for financial incentives.

- [Mandatory Housing Affordability \(MHA\)](#)

MHA is both a funding strategy and a housing program because developers can choose between the performance option or payment in-lieu option. The performance option serves the dual purpose of creating new affordable units and creating mixed-income buildings that can encourage diversity within newly developed buildings. The performance option has been utilized less than the payment option, with only 6.1 percent of projects choosing to include affordable units in their projects in 2021. For many developers, the payment option is less costly and less cumbersome, which leads to fewer income-integrated projects than the MHA program initially intended. This balance of performance vs. payment has some advantages, such as allowing OH to leverage the funds to produce more units and/or units at deeper affordability by pairing them with other funding sources. Incentive Zoning can also be considered both a funding strategy and a housing program with both a performance option and a payment in-lieu option.

Affordable Housing Organizations and Entities

(Note: Many organizations support the work of affordable housing in Seattle, this is not a comprehensive list but gives a few examples of some of the organizations working alongside the City of Seattle to provide subsidized affordable housing.)

- **Public Development Authorities (PDAs)**

Seattle has created several Public Development Authorities, which are public entities similar to corporations. PDAs are created by the state and by cities for special purpose projects or goals and they operate separately from the parent entity while still being monitored by the government that created them. PDAs can seek their own funding through state grants or bonds and can work toward their mandated purpose without constant oversight from the City. Once up and running, PDAs can serve as important partners in City goals such as increasing access to affordable housing. Some of Seattle's PDAs include affordable housing in their mission to support specific neighborhoods. For example, the [Seattle Chinatown International District PDA \(SCIDpda\)](#) focuses on providing services in affordable housing in the Chinatown International District (CID) in addition to working on community economic development, commercial property management, and community engagement. [Community Roots Housing](#) is another PDA chartered by the City of Seattle in the 1970s that builds and operates affordable housing in neighborhoods like Capitol Hill and the Central District.

- [Seattle Housing Authority \(SHA\)](#)

The Seattle Housing Authority is an independent public corporation that is not managed by the City of Seattle but partners with the City to help meet Seattle's affordable housing needs. SHA builds, owns, and operates a variety of long-term low-income housing units and administers federally funded subsidies like Housing Choice Vouchers, which allow income-eligible households to rent units in the private rental market and receive a subsidy to keep the rent level affordable. SHA also administers voucher programs for specific populations such as Veterans and people with disabilities.

- [King County Regional Homelessness Authority \(KCRHA\)](#) - The City of Seattle is partnered with KCRHA to provide a system of support for those experiencing homelessness or at risk of becoming homeless that runs from outreach and emergency shelter to long-term supportive housing. The new partnership began in 2021 to better coordinate efforts across the region. As the authority ramps up its services, it will become the central source for homelessness services in the County. In 2022, Seattle contributed approximately \$118 million toward the regional effort.

Policies and Legislation

- [Surplus Lands Policy](#)

The Surplus Lands Policy sets affordable housing as a priority use for land and property that the city determines to no longer be needed for city purposes. Thanks to a state law that allows jurisdictions to sell surplus property at a reduced cost or no cost if the property will be used for affordable housing, Seattle revised its land disposition policies in 2018 to center affordable housing and other community-centered uses such as open space, childcare, or educational facilities. Proceeds from the sale of properties that are not considered suitable for affordable housing or other prioritized uses are still prioritized toward affordable housing funding.

- [Community Preference Policy](#)

Seattle's Community Preference Policy was put in place in 2019 as part of an effort to reduce displacement and affirmatively further fair housing goals by prioritizing affordable housing units for community members who have been displaced or are at risk of displacement from the neighborhood. The Policy applies in neighborhoods identified as at high risk of displacement and allows developers to prioritize specific applicants when working in those neighborhoods. Affordable housing developers that wish to utilize the policy must submit a plan to the Office of Housing. The policy allows property owners to prioritize applicants based on qualifications such as the applicant is a current resident of the neighborhood, or they or a family member are former residents, or they have community ties such as utilizing community services in the neighborhood. Properties that implement the policy must be sure to still follow Seattle's other housing ordinances such as Fair Chance Housing and the Open Housing Ordinance.

- [Affordable Housing Bonus on Religious Organization Property](#)

The affordable housing development bonus on property owned by religious organizations was passed in 2021 as an additional strategy to generate affordable housing in the City while also addressing the ongoing displacement of religious institutions whose congregations have grown smaller due to displacement over time. Many of the organizations experience financial challenges due to the loss of members and rising maintenance costs. The development bonus allows religious institutions to develop their properties at a higher density than is allowed in current zoning as long as they provide affordable housing units for households at or below 80 percent AMI for at least 50 years. The ability to develop their land in such a way helps the religious organizations stay in place while also serving their missions to support their communities.

- [Parking Reform Legislation](#)

In 2018 the City passed a suite of parking reforms aimed at making parking requirements less extensive and cumbersome for new developments. The most relevant of the changes was the exemption from parking requirements for affordable housing units with income restrictions for households at or below 80 percent AMI. An intention behind the reforms is to allow developers to devote less space to mandatory parking requirements and more space to housing. Other changes included unbundling parking spaces from apartments in lease agreements to allow for households to avoid paying for a parking space they didn't need and increasing flexibility for the use of existing parking spaces.

- [Renter Protections](#)

Seattle has a suite of renter protections that aim to help renters avoid evictions and housing instability, which can be costly and disruptive. Increasing housing security for renters through renter protections is one way to help renters stay in affordable units and avoid the expensive cycle of moving from place to place. One of the main eviction protections in Seattle is the [Just Cause Eviction Ordinance](#), which limits the reasons a landlord can evict a tenant to 16 specific causes. Seattle also has limits on evictions for specific circumstances, such as during the winter months for low-income households or during the school year for households with school-aged children or school employees, and all tenants have the right to legal counsel in an eviction suit. To help increase housing stability for renters, Seattle also passed legislation in 2021 that requires landlords to give renters 180 days' notice of a rent increase and created a program for [economic displacement relocation assistance](#) for renters earning 80 percent or less of AMI whose landlords increase their rent by 10 percent or more in a 12-month period. The City also regulates the amount of move-in fees and security deposits a landlord can charge at the start of a rental agreement.

Appendix 2 - Maps

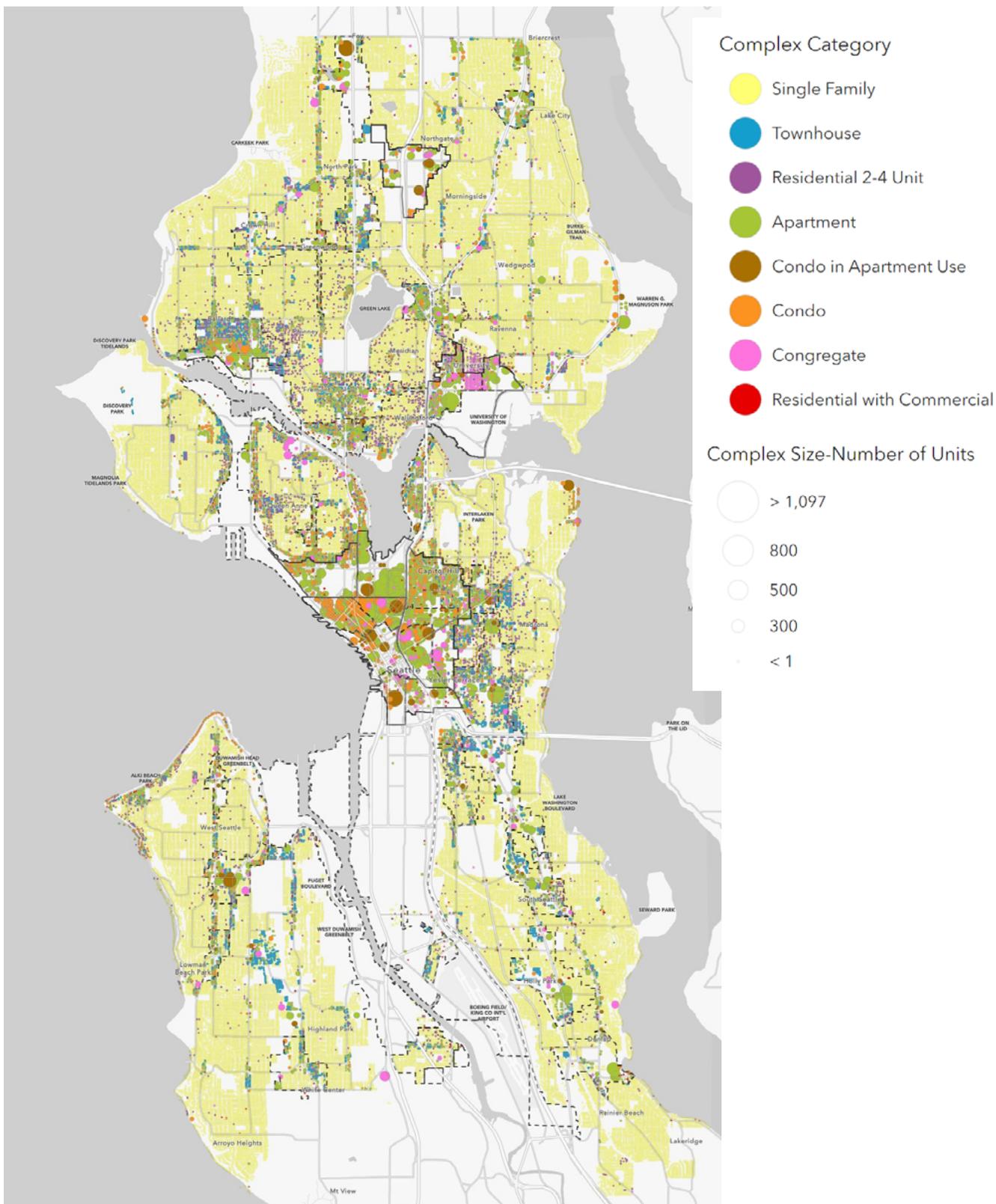


Figure 7: Map of residential unit types and sizes by complex type as of July 2022. Source: Seattle Office of Planning and Community Development, July 2022. <https://seattlecitygis.maps.arcgis.com/apps/dashboards/fa11d5937411491985372ae7562e71a2>

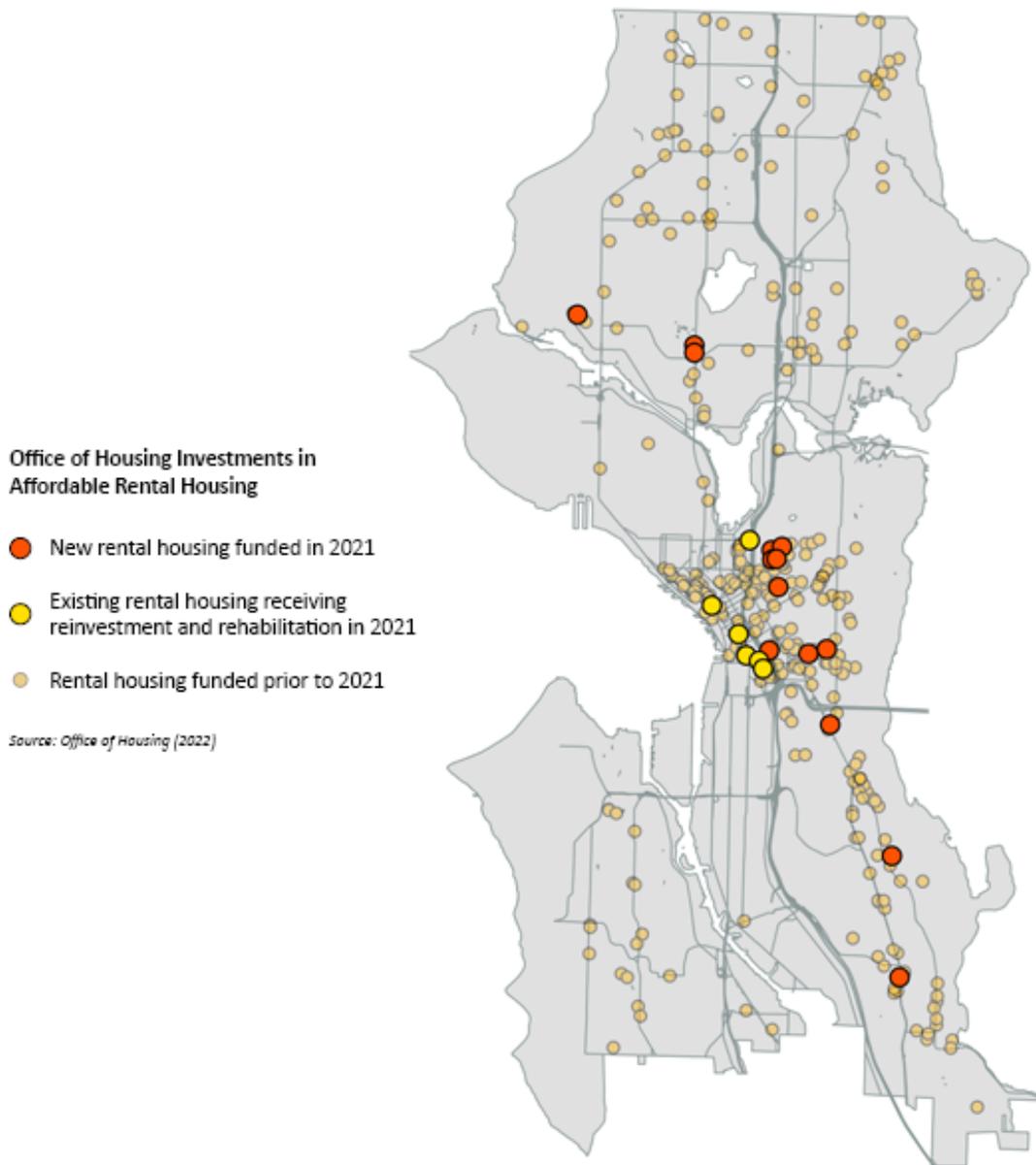


Figure 8: A map of Office of Housing investments in affordable rental housing highlighting 2021 investments with previously funded investments also noted in the background. Source: Office of Housing Annual Housing Investments 2021 Report, April 2022, 26.



Issue-specific thoughts on the major update to the Comprehensive Plan

Addressing Displacement in Seattle's Comprehensive Plan

March 2022

The Seattle Planning Commission advises City of Seattle elected officials and staff on policies and programs related to land use, housing, transportation and related issues. As stewards of the Comprehensive Plan, the Commission actively engages in the annual review of amendments to the Plan and a robust and iterative review of the major updates to the Plan that occur every seven or so years.

Last summer, the Commission offered [recommended overarching themes to guide the next major update](#). As a follow up to those recommendations, we are preparing a series of issue-specific briefs. The following brief is the second in the series and focuses on how to include anti-displacement policies and strategies as a central component of the Comprehensive Plan major update.

Summary of Recommendations

- **[Make anti-displacement policies a focus of the Comprehensive Plan](#)** - To disrupt decades of inequitable growth patterns that led to the disproportionate displacement of BIPOC and low-income communities, the major update to the Comprehensive Plan expected in 2024 needs to include anti-displacement policies as a central focus of the plan.
- **[Evaluate displacement during the EIS process](#)** - The EIS process for Seattle's Comprehensive Plan major update should evaluate the proposed growth strategy alternatives through consideration of impacts to displacement and housing affordability and identify mitigation strategies.
- **[Include anti-displacement policies in multiple Comprehensive Plan elements](#)** - Anti-displacement policies belong throughout the comprehensive plan in a variety of elements from economic development to arts and culture, not only in the growth strategy and land use elements.
- **[Advance community-led policy and investments in anti-displacement](#)** - The City should expand existing efforts, such as the Equitable Development Initiative, to invest in community-driven and community-owned development by affected BIPOC and low-income communities.
- **[Create and preserve affordable housing, commercial, and non-profit spaces](#)** - Seattle needs more affordable space options for households and community-serving entities which requires both creating new affordable options and preserving existing affordable options through intentional growth patterns and land use policy.
- **[Support anti-displacement policies through adequate resourcing and technical assistance](#)** - To be successful, anti-displacement policies require on-going support in the form of funding and technical assistance to communities to help them utilize existing tools and stay in place in the face of growth pressures.
- **[Continue to evaluate and monitor displacement](#)** - Successful policies will be adaptable and responsive to community needs. The City should supplement knowledge shared by communities affected by displacement with improved data tracking of high displacement risk areas and the outcomes of policy actions.

Introduction

As Seattle prepares to produce a major update to the City's Comprehensive Plan in partnership with communities, the Planning Commission will write a series of issue briefs offering to help inform the scope, policy direction, and update process. In this brief we focus on the issue of displacement and how anti-displacement policies should be a central component to the Comprehensive Plan update, informing policies across the plan. The brief aims to frame the role of anti-displacement policies in the Comprehensive Plan and set the stage for additional exploration into strategies and recommendations. The City's anti-displacement policies will need to be fully integrated using racial equity and social justice principles and aligned closely with the City's growth strategy. The Commission wrote a letter outlining major themes to address in the Comprehensive Plan major update last summer which can be found on the Commission's [website](#). We hope this brief can serve as a start to future conversations with City leadership, City staff, and Seattle communities.

Fundamental to a strategy for building anti-displacement policies into the Comprehensive Plan are the following points:

- Displacement is a multi-layered issue that can come in different forms, from physical displacement to economic and cultural displacement, and it can impact not only households but also businesses and organizations.
- Black, Indigenous, and People of Color (BIPOC) communities as well as low-income households are disproportionately impacted by displacement. Strategies to reduce displacement must focus on outcomes for these communities and on solutions built in collaboration with those who have lived experience of displacement.
- Seattle's lack of housing supply in general and affordable housing options in particular are the greatest drivers of residential displacement in the city. Increasing the supply of housing overall and increasing access to affordable homes will be critical to reducing displacement pressures.
- The intensity of Seattle's real estate market is one of the main causes of displacement for small businesses and cultural spaces, many of which are located in older, small-scale buildings that are susceptible to redevelopment.¹ The displacement risk is even greater for BIPOC-owned small businesses and services due to systemic barriers such as lending discrimination.²
- Growth alone does not lead to displacement when balanced with adequate mitigation strategies. Such strategies are necessary to have in place **now**, as Seattle continues to grow, to ensure our neighbors can stay in place and thrive while providing greater opportunities for displaced Seattleites to return.
- In the city's current context of tremendous economic growth for some, and escalating space and land prices across the board, market forces alone will not produce equitable growth. Without proactive action from government to create and foster the conditions for community stability

1 Framework for City of Seattle. "The CAP Report." City of Seattle, 2017. <https://www.seattle.gov/Documents/Departments/Arts/Downloads/Space/CULTURAL%20SPACE%20REPORT.pdf>.

2 Alvarez, Nohely, Bi'Anncha Andrews, and Willow Lung-Amam. "Small Business Anti-Displacement Toolkit." Small Business Anti-Displacement Network, August 2021. https://antidisplacement.org/wp-content/uploads/2021/09/Toolkit_FINAL.pdf, 9.

and economic mobility, vulnerable populations and culturally relevant businesses and services will continue to be increasingly at risk of being displaced.

Each of these points are discussed in greater detail in the sections below.

Displacement Context

Most people move multiple times over the course of their lifetime. While moving to the neighborhood of one's choice can be a positive experience, sometimes households are forced to relocate due to increased housing costs, evictions, or the loss of neighborhood community connections. For the purposes of this brief, displacement refers to instances where the existing residents of a neighborhood are involuntarily forced to relocate. We use the term residents broadly to refer to households as well as small businesses, non-profit organizations, and community and cultural anchors, particularly BIPOC-owned and culturally relevant services. We refer to this collection of services as community-serving entities.³

Displacement can take a variety of forms:

- Direct economic displacement occurs when residents move because they can no longer afford to stay in an area due to rising rent and ownership costs.
- Indirect economic displacement results when existing residents move out, and higher rents and home prices preclude comparable households and community-serving entities from moving in.
- Cultural displacement takes place when existing residents move from a neighborhood because their social and cultural connections within the area have declined from widespread displacement of their community and community-serving entities.
- Physical displacement occurs when existing housing units and commercial/service spaces are lost due to property rehabilitation, redevelopment, or demolition.⁴

As families are forced to move, often multiple times, displacement can increase the risk of homelessness and have lasting negative impacts on health, education, and earnings.⁵ Displacement also disrupts people's lives and weakens the cultural fabric of a community. Residential displacement is just one piece of the puzzle; displacement also impacts commercial and industrial areas. The rising cost of space in a neighborhood can put pressure on community-serving entities, such as small businesses, community organizations, arts spaces, barber shops, and religious institutions.

3 Federal Reserve Bank of San Francisco. "Gentrification and Displacement." Accessed March 1, 2022. <https://www.frbsf.org/community-development/initiatives/gentrification-and-displacement/>.

4 Although physical displacement may be the most obvious reason households and community-serving entities are forced to move, it is likely not the most frequent driver of displacement. In fact, a regional survey conducted by the Puget Sound Regional Council in 2019 found that cost of housing was the top displacement factor for households that moved in the last five years. For this reason, we listed physical displacement last when listing types of displacement. Puget Sound Regional Council. "Cost of Housing Top Reason for Displacement." Household Travel Survey, 2019. <https://www.psrc.org/sites/default/files/travel-story-2019-displacement.pdf>

5 UC Berkeley Urban Displacement Project. Pushed Out: Displacement Today and Lasting Impacts. MP4. What Are Gentrification and Displacement, 2017. <https://www.urbandisplacement.org/about/what-are-gentrification-and-displacement/>.

The combined impact of these types of displacement can distance households from their social and cultural networks that bring neighbors together and provide direct support or connect people to support systems. The undermining of these systems is particularly apparent with the displacement of historically underserved BIPOC communities. When displacement happens on a large scale, it can alter the demographic, cultural, political, and economic composition of neighborhoods and even entire cities and regions.⁶ Affected communities need tools that can help stabilize housing and community-serving entities. The City can help build support systems that create communities that are more resilient to change and growth.

Changing Seattle's Growth Pattern – Growth Without Displacement

Seattle has a history of growth at the expense of BIPOC communities. From the city's founding on the unceded territories of the Coast Salish peoples, to the splintering of the Chinatown/International District community for the placement of I-5, to the displacement of Seattle's Black community from the Central District, the City of Seattle must be accountable to its legacy of inequitable growth. The COVID-19 pandemic has deepened existing wealth gaps and pushed additional communities into a place of instability. Anti-displacement policies are crucial to the development of a comprehensive plan that lives up to the values of the City's Race and Social Justice Initiative, which aims to "change the underlying system that creates race-based disparities in our community and to achieve racial equity."⁷ The City has a responsibility to act quickly and boldly to reverse displacement trends.

Growth does not need to lead to community instability but, as Seattle's recent history demonstrates, concentrated growth without proactive mechanisms to relieve development pressure and stabilize communities is a recipe for inequitable development and displacement. Anti-displacement strategies can help center people and communities in a way that allows communities to stay in place amidst the growth pressures we have been experiencing and expect to continue.

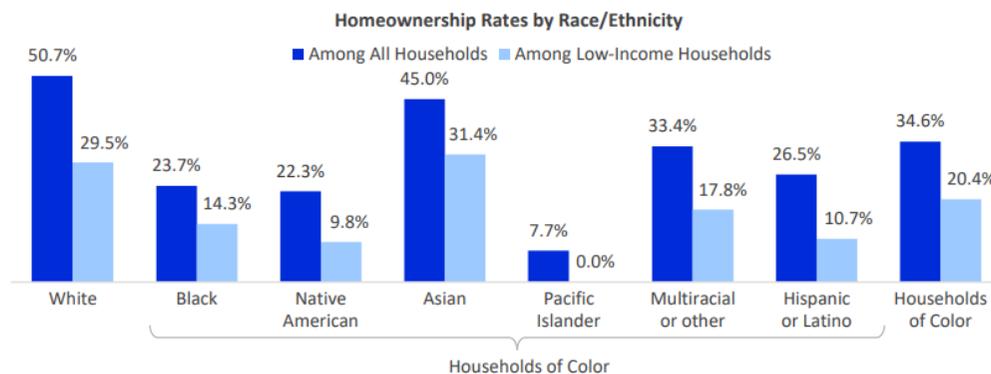
The City's current approach to managing growth, which focuses growth into urban centers and residential villages, has contributed to displacement and inequitable development in several ways:

- Continuing to restrict housing types to single family dwellings in a significant portion of the city (sometimes referred to as single family neighborhoods) while concentrating growth in small areas (Urban Villages and Centers) placed a disproportionate amount of growth pressure on a comparatively small area of the city. Single-family neighborhoods are inherently exclusionary as they prioritize a small number of higher-income homeowners over renters and low-income households. The concept of a single-family zone was created along with other exclusionary policies, like racially restrictive covenants and redlining, to keep BIPOC communities and low-income households out of certain neighborhoods.

⁶ Federal Reserve Bank of San Francisco. "Gentrification and Displacement." Accessed January 26, 2022. <https://www.frbsf.org/community-development/initiatives/gentrification-and-displacement/>.

⁷ City of Seattle. "About RSJI." Seattle.gov. Accessed January 26, 2022. <https://www.seattle.gov/rsji/about>.

- The strategy disproportionately impacted people of color and low-income households.⁸ For example, as of 2018, 44 percent of Seattle renter households were housing cost-burdened, which means they were spending 30 percent or more of their household income on housing. For Black renter households, that number was 58 percent, higher by far than any other racial group in Seattle.⁹ Households that are housing cost burdened are more likely to be impacted by displacement pressures.
- The Racial Equity Analysis on the City's Comprehensive Plan states that "the current plan has failed to provide sufficient housing supply, choice, and affordability, and this has harmed BIPOC communities. Looking forward, in the major Comprehensive Plan update to be, all neighborhoods should offer more affordable housing choices to ease displacement pressures and provide access to opportunity."¹⁰
- The constrained growth has led to skyrocketing home purchase prices, which also disproportionately impacts BIPOC households.
 - Around 51 percent of white households in Seattle are homeowners compared to only 24 percent for Black households, 22 percent for Native American households, 8 percent for Pacific Islander households, 27 percent for Hispanic or Latino households, and 45 percent for Asian households.¹¹ The racial equity gap in homeownership becomes even more stark and persistent when we disaggregate the data and examine the differences within each racial group.¹²
 - Households that cannot afford to own a home or are forced to sell their homes due to displacement pressures miss out on the opportunity to build multi-generational wealth through the real estate market.
 - Homeownership can provide additional stability and protection from displacement pressures. Addressing the racial equity gap in homeownership is an important part of moving toward more equitable growth.



Source: Community Indicators Report, City of Seattle OPCD, 2020, pg 23. Data source: 2011-2015 ACS 5-Year estimates, U.S. Census Bureau and HUD.

8 PolicyLink for City of Seattle. "Advancing Racial Equity as Part of the 2024 Update to the Seattle 2035 Comprehensive Plan and Urban Village Strategy." City of Seattle, April 2021. <https://www.seattle.gov/a/127266>, 6.

9 City of Seattle. "Displacement Risk Indicators." Accessed December 23, 2021. <https://population-and-demographics-seattlecitygis.hub.arcgis.com/pages/displacement-risk>.

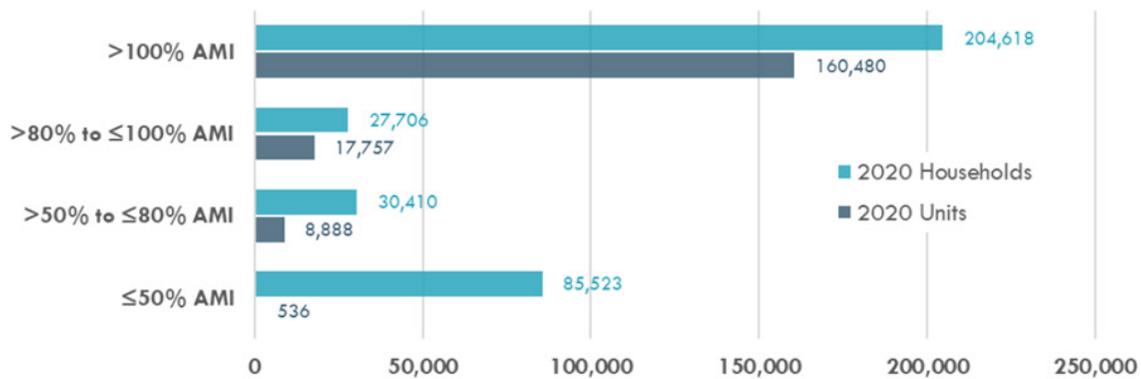
10 Office of Planning and Community Development. "Racial Equity Analysis - Community Engagement Summary." Seattle 2035 Comprehensive Plan and Urban Village Strategy. City of Seattle, May 2021. <https://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/Seattle'sComprehensivePlan/ComprehensivePlanRacialEquityAnalysisEngagementSummary.pdf>, 6.

11 Office of Planning and Community Development. "Equitable Development Community Indicators Report." Equitable Development Monitoring Program. City of Seattle, September 2020. <https://www.seattle.gov/Documents/Departments/OPCD/Demographics/communityindicatorsreport2020.pdf>, 23.

12 Ibid

- Even with Seattle’s high volume of new construction, the housing supply cannot keep up with demand.
- Although the market is producing more housing than it has in the past few decades, Seattle is also gaining new jobs at an increasingly high rate. When the increase in jobs outpaces the increase in housing supply it leads to a shortfall and causes more competition for the existing housing supply, which in turn forces increased rents and housing prices.¹³
 - Seattle’s growth has created a market that is inaccessible for low-income households. The rise in number of rental units in Seattle has not kept pace with the rise in the number of renters and there has been an overall decline in the number of units affordable to households at or below 50 percent Area Median Income (AMI).¹⁴ The lack of affordable homes means that low-income households in Seattle cannot afford to stay in their neighborhood of choice and new low-income families cannot afford to move into the city. Rising rents impact community-serving entities in a similar way.
 - The city’s recent Housing Needs and Supply Analysis noted: “During the past decade, Seattle has also experienced a rapid increase in higher income households. However, the city did not add significantly to its supply of ownership housing products. Much of the production of new single-family homes simply replaced existing older units, resulting in no net gain in supply. There has been very little condominium production, and townhome construction has not kept up with demand. The resulting competition for ownership housing has been intense, driving up housing prices, and the City needs proactive strategies to support the creation of homeownership opportunities that are inclusive of low-income households.”¹⁵

All Households by Income Level Compared to Housing Units That Can Support Homeownership by Affordability Level, 2020



Source: BERK, "Market Rate Housing Needs and Supply Analysis," 2021.

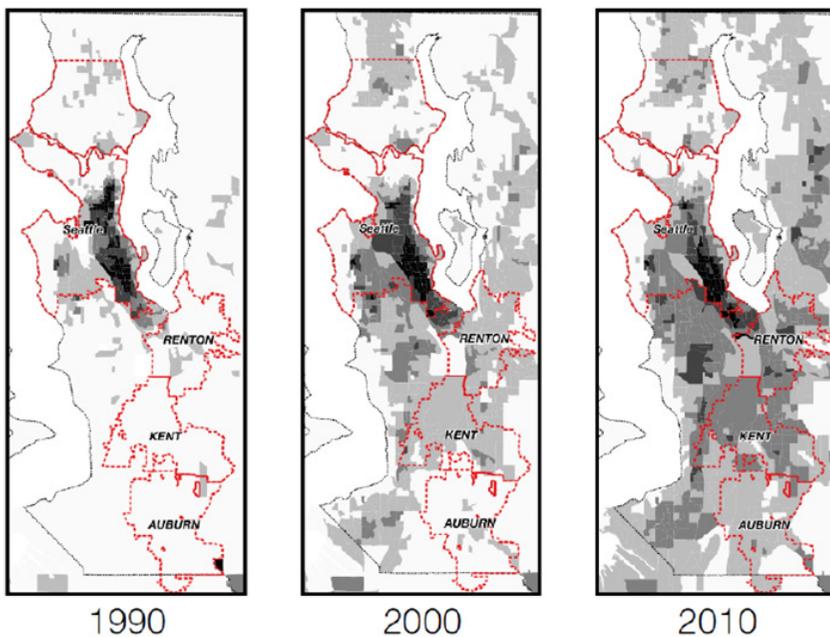
13 BERK for City of Seattle. "Market Rate Housing Needs and Supply Analysis." City of Seattle, April 2021. <https://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/HousingChoices/SeattleMarketRateHousingNeedsAndSupplyAnalysis2021.pdf>, i.

14 City of Seattle, Displacement Risk Indicators.

15 BERK, Housing Needs and Supply, ii.

- Recent growth patterns have increased displacement pressures on community-serving entities. The impacts of the COVID-19 pandemic have accelerated this trajectory, particularly within BIPOC communities.
 - A 2016 Commercial Affordability Report conducted by the City indicated that commercial and industrial spaces in Seattle are becoming more expensive, harder to find, and larger in size which makes the available spaces less compatible for small businesses.¹⁶ Community organizations such as Puget Sound Sage, Africatown, Friends of Little Saigon, El Centro de la Raza, Nehemiah Initiative, and the Rainier Beach Action Coalition among many others have shared stories and examples of how displacement pressures have increased over the last decade, leading community-serving entities to close or relocate to other areas in the region.

If Seattle fails to act, we will end up with a city that is less racially and economically diverse and we will lose critical cultural anchors. Seattle needs a growth strategy that can reduce and reverse the disproportionate impact of displacement on BIPOC and low-income communities. PolicyLink suggests the way forward is to increase the housing density allowed in more areas of the city and to apply that new zoning alongside anti-displacement strategies that can support equitable growth.¹⁷ The Commission agrees that the City needs to embrace growth with a focus on how to make future growth more equitable. We believe the Comprehensive Plan major update is the ideal place to begin this work of weaving growth and anti-displacement policies together.



The maps to the left show the share of the population in different areas of the region who are BIPOC based on census data from 1990-2010. While the patterns cannot be directly tied to displacement, the maps suggest that areas to the South and Southeast of Seattle are diversifying and adding BIPOC residents while some areas of Seattle have seen a decline in the proportion of residents who are BIPOC.

Source: Seattle OPCD Equitable Development Monitoring Program Website, 2022; U.S. Census data mapped by Tim Thomas

¹⁶ Seattle Commercial Affordability Advisory Committee. "Commercial Affordability Advisory Committee Recommendations Report." City of Seattle, 2016. http://www.seattle.gov/Documents/Departments/economicDevelopment/commercial_affordability_advisory_committee_report_lo_res.pdf.

¹⁷ PolicyLink, Advancing Racial Equity, 9.

Addressing Displacement via the Comprehensive Plan

To disrupt decades of inequitable growth patterns that led to the disproportionate displacement of BIPOC and low-income communities, the major update to the Comprehensive Plan expected in 2024 needs to include anti-displacement policies as a central focus of the plan. Seattle will need to include anti-displacement strategies in the housing element of the plan to comply with new state legislation,¹⁸ but the City has an opportunity to go beyond the minimum requirements of the legislation and set the standard for the region. Strategies to address displacement need to be included in the planning process (such as checking for displacement outcomes in the Environmental Impact Statement (EIS) and asking about displacement concerns during community engagement) and then woven throughout the plan through clear and specific goals and policies.

Consider displacement during the EIS process

One way to test the balance between growth pressures and anti-displacement strategies in the Comprehensive Plan is through the EIS process. The Comprehensive Plan has the power to guide where and how major investments of resources are directed within the city, and those investments can lead to indirect displacement. Displacement can be seen as an environmental justice issue that impacts both individual households and entire communities. Displacement fueled by City investments can result in significant changes to the human environment and an argument can be made for including it as a potential outcome for consideration within the EIS and seeking mitigation strategies for areas where displacement impacts are identified.¹⁹

Seattle's Displacement Risk Index was originally developed to help inform the EIS for the Seattle 2035 Comprehensive Plan. Given the advances in the understanding of displacement, as well as over a decade of new data, Seattle has the tools to study displacement risk even more extensively during the latest major update - we commend that effort which we know is underway. Updates to the methodology as well as the ability to view changes in the data over time will allow the City to make adjustments to the growth strategy that are informed by displacement patterns and can shape anti-displacement policy that is tailored to the needs of vulnerable communities.

Other jurisdictions have also used the EIS process to explore displacement pressures and identify potential solutions. For example, the Puget Sound Regional Council included a detailed examination of displacement in the EIS for the Vision 2050 plan. The EIS for Vision 2050 includes an assessment of increased displacement risk for each of the studied growth alternatives and proposes mitigation measures to prevent displacement.²⁰ The EIS process for Seattle's Comprehensive Plan major update should evaluate the proposed growth strategy alternatives through consideration of impacts to displacement and housing affordability and identify mitigation strategies.

18 Emergency Shelters and Housing - Local Planning and Development, House Bill 1220 §. Accessed December 10, 2021. <https://lawfilesexternal.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/House/1220-S2.SL.pdf#page=1>.

19 Hevia, Jesse. "NEPA and Gentrification: Using Federal Environmental Review to Combat Urban Displacement." *Emory Law Journal* 70, no. 3 (2021). <https://scholarlycommons.law.emory.edu/elj/vol70/iss3/4>.

20 Puget Sound Regional Council. "Vision 2050 Final Supplemental Environmental Impact Statement," March 2020. <https://www.psrc.org/sites/default/files/v2050finaleis-march2020.pdf>, ES-23.

Anti-Displacement policies belong in multiple Comprehensive Plan elements

As described above, displacement is about more than just housing development and growth. Clear and specific goals addressing displacement should be included in all relevant sections of the plan in such a way that subsequent city planning efforts can carry the strategies forward. Naturally, the growth strategy and land use elements should incorporate anti-displacement strategies but so too should the transportation and economic development elements, as they all impact where growth and opportunity are directed in the city. Similarly, the arts and culture element can include policies to support the preservation of cultural anchors and other cultural amenities that keep a community whole. At a minimum, each of the elements listed below should be reviewed for opportunities to weave in anti-displacement policies.

| | |
|----------------------|----------------------|
| Growth Strategy | Community Engagement |
| Land Use | Economic Development |
| Housing | Capital Facilities |
| Transportation | Parks and Open Space |
| Community Well-Being | Arts and Culture |

Goals for anti-displacement in the Comprehensive Plan

Displacement is a layered issue, caused by a variety of factors that are often place-specific and community-specific.²¹ The solutions proposed to address displacement must also be multi-faceted and flexible enough to be applied in a meaningful way for each impacted community. Seattle needs an array of resourced anti-displacement tools that can be deployed to best support and stabilize communities based on their unique needs. For those tools to be effective, they need to be prioritized in both the Comprehensive Plan and the City's budget.

Seattle already has several promising tools in operation or in development to help turn the tides of displacement, but many of the existing tools would benefit from more predictable and stable funding and substantial program expansion. The following section outlines goals for addressing anti-displacement in the Comprehensive Plan and highlights a few existing tools that the City can build on to achieve those goals.

Community-led policy and investments

- Work closely with affected BIPOC and low-income communities to better understand community-specific displacement pressures and goals around anti-displacement. Listen to and advance community-driven solutions by disproportionately impacted groups, such as the Disaster Gentrification report by Puget Sound Sage and their community partners.²²

21 City of Seattle. "Housing Affordability - RSJI." Accessed December 23, 2021. <https://www.seattle.gov/rsji/racial-equity-research/housing-affordability>.

22 Puget Sound Sage, Multicultural Community Coalition, and Rainier Beach Action Coalition. "Disaster Gentrification in King County," May 2021. <https://www.pugetsoundsage.org/wp-content/uploads/2021/06/Community-Policy-Brief-v.5.0.pdf>.

- Invest in community-owned and community-driven development by communities that are at high risk of displacement.
- Build capacity within affected communities to utilize anti-displacement resources and ensure the City is prepared to support where needed through technical assistance.
- Build flexibility into policies so they can meet community-specific needs.

Seattle has recognized the importance of investing in community-led anti-displacement projects through efforts such as the Equitable Development Initiative (EDI) and the Cultural Space Public Development Authority. These programs provide a structure and funds for community organizations and non-profits to create community-owned assets such as affordable housing developments, community space preservation projects, and small-business support projects. While an excellent start, the programs only scratch the surface of community need. Even with a total of \$9.8 million of grant funds in 2021, the EDI was only able to fund 21 projects out of 78 applications.²³

There are also several community-based non-profit organizations in the Seattle area that operate community land trusts (CLTs), such as Africatown and Homestead, which are an important anti-displacement tool for removing land from the speculative real estate market. CLTs help to preserve land and buildings for long-term affordable use by communities. Seattle would benefit from expanding funds and technical assistance to build the capacity of local organizations and groups for creating and operating CLTs.

Affordable housing, commercial, service, and non-profit space production

- Preserve the affordable units already in the city and the communities they house.
- Create more affordable housing for both renters and potential homeowners.
- Create more affordable commercial spaces.
- Plan for intentional housing growth.
 - Seek growth patterns that decrease market pressure and stabilize rents and housing costs over time, especially in neighborhoods identified as at a high risk of displacement.
 - Plan for growth that includes more housing overall with greater diversity in housing choices in areas of high opportunity and low displacement risk.
 - Avoid growth in environmentally critical areas like wetlands or in industrial and manufacturing areas.
 - Avoid growth patterns that focus multifamily housing and affordable housing along busy arterials or highways to serve as a buffer for single-family areas.
- Use Seattle's influence as a regional leader to push for change on a regional and statewide level.

One of the reasons over 30 percent of households in Seattle are housing cost-burdened²⁴ is that the

²³ City of Seattle. "Equitable Development Initiative." Seattle.gov. Accessed December 24, 2021. <https://www.seattle.gov/opcd/ongoing-initiatives/equitable-development-initiative>.

²⁴ City of Seattle, Housing Affordability.

City has vastly under-resourced the creation of long-term or permanent affordable housing. The City is now working to fill in a deficit that has built up over decades which, when paired with a housing market that has not kept pace with population growth,²⁵ will require a massive boost in the order of billions in funding to overcome.²⁶

Seattle's affordable housing situation would be even more dire if not for the work of the Office of Housing and funds made available by the Seattle Housing Levy and the Mandatory Housing Affordability (MHA) program. Since 1981, the levy has supported the production, preservation, and acquisition of over 13,000 affordable rental and for-sale homes throughout the city and provided emergency rental assistance and other housing stability services to over 6,500 low-income households at risk of eviction and homelessness.²⁷ In addition, MHA appears on track with the goal to produce 6,000 affordable homes over ten years after the program's expansion in 2019.²⁸ Despite these efforts, the city has an estimated shortage of 21,000 rental units affordable to households at or below 80 percent AML.²⁹ Affordable homeownership opportunities continue to be out of reach for most low-income households.³⁰ The City needs to renew and expand the Housing Levy in 2023 and reach beyond to new sources like the Jumpstart Tax for affordable housing production and preservation to meet demonstrated needs. The current level of funding, while impressive, is still insufficient to meet the housing needs of low-income people in our city as the pace of growth and demand for housing are far outstripping the available resources. The City must also support increased federal, state, and countywide investments to ensure their investments grow proportionally with the City's.

Housing stabilization and community resilience

- Adequately resource and invest in anti-displacement strategies on an ongoing basis.
- Protect tenants and community-serving entities that are unstable through policies that direct funding support and technical assistance toward affected communities to help them stay in place in the face of growth pressures.

Seattle has implemented several new tenant protection ordinances in recent years that help to reduce the power imbalance between property owners and tenants and increase the stability of housing for renters. While a step in the right direction, some of the policies need adjustments to be more effective against displacement. For example, Seattle implemented the current Notice of Intent to Sell Ordinance in 2019, which requires multi-family property owners to notify tenants and the City

25 BERK, Housing Needs and Supply, 49.

26 King County Affordable Housing Committee, "Draft Shared Principles to Guide Future Affordable Housing Revenue Decisions," https://kingcounty.gov/~media/depts/community-human-services/housing-homelessness-community-development/documents/affordable-housing-committee/Meeting_09-30-2020/Draft_AHC_Shared_Revenue_Principles_memo.ashx?la=en,5.

27 City of Seattle. "Seattle Housing Levy." Accessed December 23, 2021. <http://www.seattle.gov/housing/programs-and-initiatives/levy>.

28 Trumm, Doug. "Seattle's Mandatory Housing Affordability Program Is on Course So Far." The Urbanist, April 28, 2021. <https://www.theurbanist.org/2021/04/28/seattles-mandatory-housing-affordability-program-is-on-course-so-far/>.

29 BERK, Housing Needs and Supply, ii.

30 Regional Affordable Housing Task Force. "Final Report and Recommendations for King County, WA." King County, Washington: King County, December 2018. https://kingcounty.gov/~media/initiatives/affordablehousing/documents/report/RAH_Report_Final.ashx?la=en, 12.

of plans to sell a property that includes units affordable to low-income households.³¹ The intention of the ordinance is to allow tenants the opportunity to purchase their units before the property is sold to secure their housing, but an evaluation by the City Auditor in 2021 found several challenges to the ordinance operating effectively.³² The City Auditor's evaluation indicates that the ordinance does not provide sufficient incentive for multi-family building owners to comply and the City lacks the resources to monitor compliance. It also points out that tenants often do not have the resources to organize with their neighbors and pull together a purchase offer in a limited time frame. Additional education, technical assistance, and funds are necessary to make the ordinance a tool tenants and affordable housing developers can use.

Evaluate and monitor displacement

- Supplement knowledge shared by affected communities with data that tracks high displacement risk areas and the outcomes of policy actions.

To better understand the patterns of displacement in Seattle, and to track the progress of equitable development efforts, the City created the Equitable Development Monitoring Project. The effort has been helpful in identifying areas of high opportunity and areas at risk of displacement. Yet the data required to monitor displacement, such as rental housing prices, has proved difficult to track and the delay of gathering and processing large amounts of data means the project often leads the City to react to displacement already in progress, rather than proactively preventing displacement. The City would need to invest considerably more resources into data collection and monitoring to allow the program to move out ahead of displacement trends.

Seattle needs to maintain and grow these anti-displacement tools while also creating a policy environment that supports and works with these efforts, rather than against them. Making anti-displacement goals and policies a central component of the Comprehensive Plan is an important way to boost the anti-displacement work that is already underway.

31 Notice of Intent to Sell, Pub. L. No. 125873. Accessed January 11, 2022. https://library.municode.com/wa/seattle/ordinances/municipal_code?nodeId=972068.

32 Jones, David G., City Auditor, and Jane Dunkel Assistant City Auditor. "Evaluation of Compliance with Ordinance 125873: Notice of Intent to Sell (NOIS)." Memorandum. City of Seattle, September 21, 2021. <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/NOISmemo.pdf>

References/Toolkits for the City to learn from:

Many organizations and cities have compiled toolkits and case studies to support anti-displacement work. To assist the City's work of exploring anti-displacement policies for the Comprehensive plan, we are including a non-exhaustive list of resources and organizations that Commissioners have found helpful.

- Puget Sound Sage Disaster Gentrification Report <https://www.pugetsoundsage.org/research/research-equitable-development/disaster-gentrification-king-county/>
- King County Department of Community and Human Services Skyway-West Hill and North Highline Anti-Displacement Strategies Report <https://kingcounty.gov/~media/depts/community-human-services/housing-homelessness-community-development/documents/Plans%20and%20Reports/KC-SkywayWHill-NHln-ant-dsplcmnt-stratrpt.ashx?la=en>
- Nehemiah Initiative <https://www.nehemiahinitiativeseattle.org/>
- Portland Anti-Displacement Foundation Report https://www.portland.gov/sites/default/files/2021/final_foundationreport_main.pdf
- Small Business Anti-Displacement Network Toolkit <https://antidisplacement.org/toolkit/>
- SPARCC Investment without Displacement <https://www.sparcchub.org/pathways-to-community-prosperity/displacement/iwd-2018/>
- National Coalition for Asian Pacific American Community Development & Council for Native Hawaiian Advancement – Asian American & Pacific Islander Anti-Displacement Strategies Report https://www.nationalcapacd.org/wp-content/uploads/2017/08/anti_displacement_strategies_report.pdf

Conclusion

The Comprehensive Plan major update is an important opportunity to disrupt Seattle's long history of inequitable growth and disproportionate displacement of BIPOC and low-income communities. Ending and reversing displacement trends will be a long-term process that extends far beyond the scope of the Comprehensive Plan. The success of any anti-displacement strategies for Seattle is contingent on adequate funding and support from the City. Seeing displacement as a through-line that connects many elements of the plan is an important start to building a policy environment that fosters more equitable growth and stability for Seattle's communities. Seeking and supporting community-led solutions with BIPOC and low-income communities through the Comprehensive Plan engagement process will be critical to forming effective goals and policies. The Planning Commission will continue to explore strategies and tools to prevent displacement and will remain engaged throughout the Comprehensive Plan major update process. We look forward to future opportunities to connect with communities, organizations, and City staff to learn more about how to build a set of anti-displacement tools for Seattle.



Seattle Planning Commission

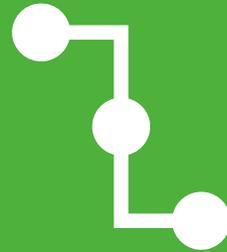
3.20.24 Seattle City Council
Land Use Committee

Purpose and Role



Stewards of the Comprehensive Plan

Major Updates, Annual
amendment process,
Equitable
Development
Monitoring reports



Project & Policy Work

Review and advise on
plans and policies
throughout
development and
implementation



Emergent Issues

Identify and weigh in
on emergent issues
related to land use,
planning, housing and
transportation

Commission Structure



- Sixteen members
- At least one urban planner and an architect/engineer
- Three years terms, may be reappointed to a second term



All appointments are subject to full City Council approval

Current Commissioners



Seattle
Planning
Commission



Including:

- **Seattle Housing Levy**
- **Industrial Maritime Strategy**
- **Seattle Transportation Plan**
- **Vision Zero**
- **Sub Area plans**
- **Mandatory Housing Affordability Program**
- **Equitable Development Monitoring Program**

Comp Plan Issue Briefs

**Evolving Seattle's Growth Strategy
Towards a Racially Equitable and
Resilient Recovery
Neighborhoods For All
Family Sized Housing**

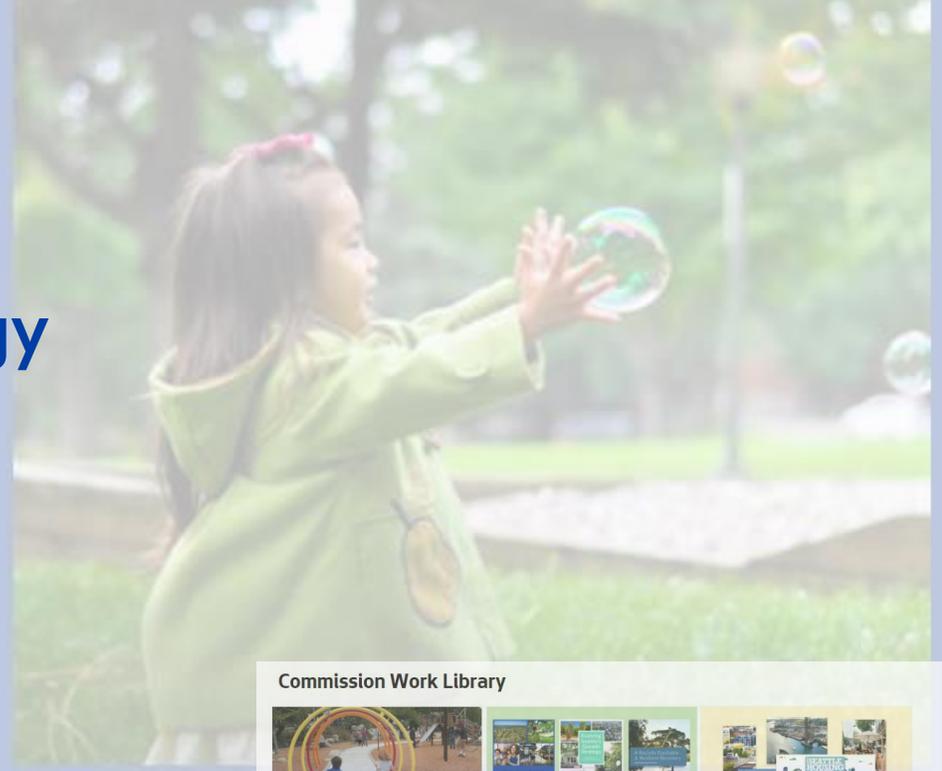
Future of Seattle's Industrial Lands

+ more @

<https://www.seattle.gov/planningcommission/our-work>

Commission Work Library

| | | |
|---|--|---|
|  <p>One Seattle Comprehensive Plan Work</p> <p>Read the Commission's issue briefs and comment letters related to the Comprehensive Plan Major Update.</p> |  <p>Commission Reports</p> <p>Read independent papers and reports produced by the Planning Commission.</p> |  <p>Plan and Policy Reviews</p> <p>Read letters from the Commission advising the Mayor, City Council, and City staff on plans and policy decisions.</p> |
|  <p>Year in Review Reports</p> <p>Read the Commission's annual reports that provide a high-level summary of the Commission's work for each year.</p> | | |



Comprehensive Plan Issue Briefs

- Affordable Housing
- Anti-Displacement
- Growth Strategy

- Repurposing the Right-Of-Way



Meeting the Challenge: Supporting Affordable Housing in the Comprehensive Plan

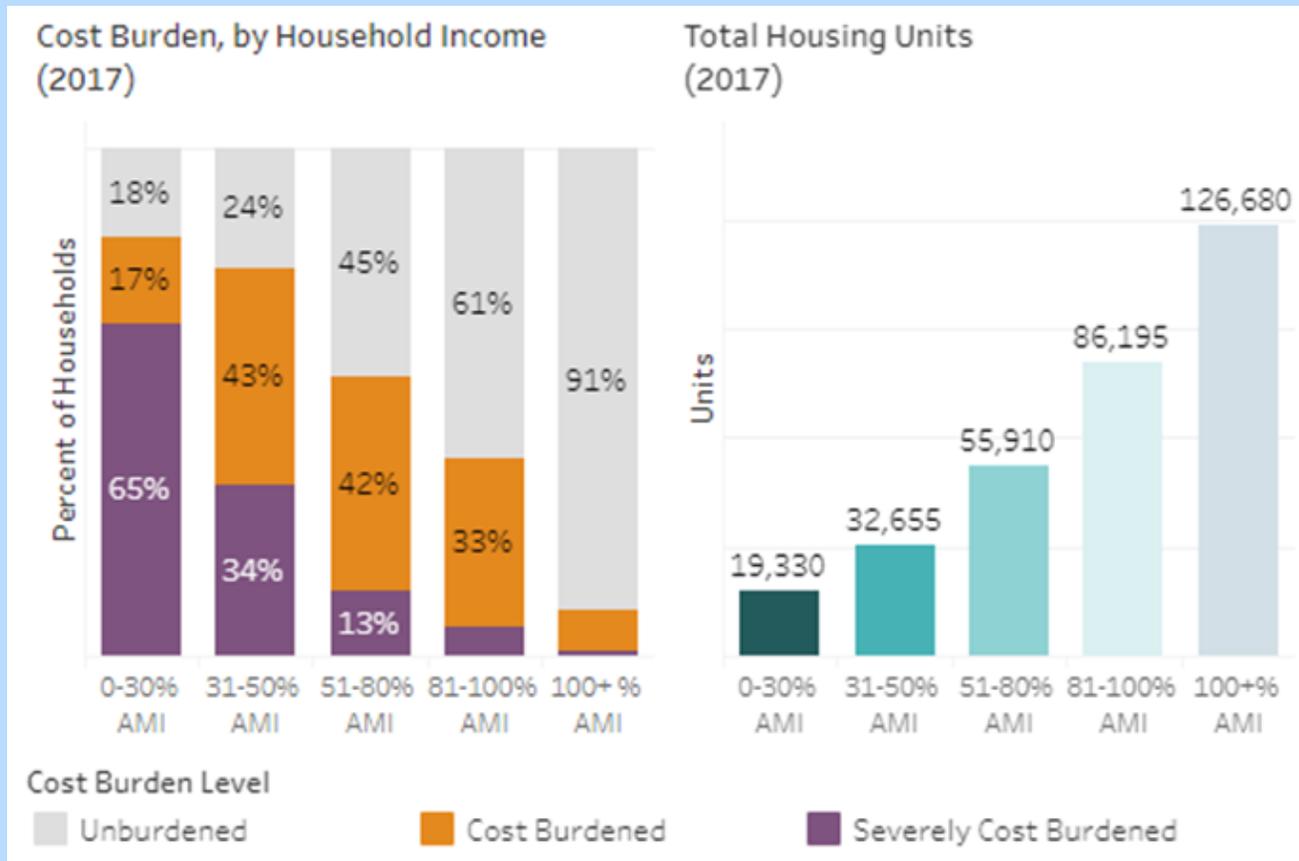


Seattle
Planning
Commission

- Seattle is working hard to provide affordable housing, and the need is enormous.
- Addressing barriers and leveraging resources to advance affordable housing must be a priority of the One Seattle Plan.
- Analyze and provide sufficient land capacity to accommodate Seattle's share of housing needs, including determining what housing types best support each level of affordability.
- Consider how the growth strategy and housing policies can be altered to better support the production and preservation of subsidized housing for very low-income households.
- Assess how current housing options in Seattle are serving the needs of households looking for affordable family-sized housing, inter-generational housing, and housing with accommodations for the

Meeting the Challenge: Supporting Affordable Housing in the Comprehensive Plan

Exploring the Affordable Housing Gap - Limitations of the housing market

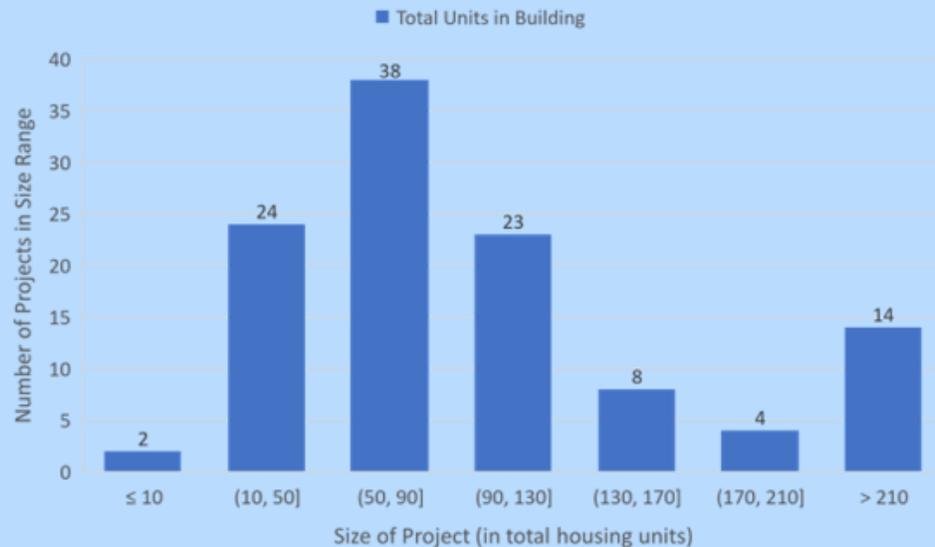


Particularly large gap for households making 0-30% AMI

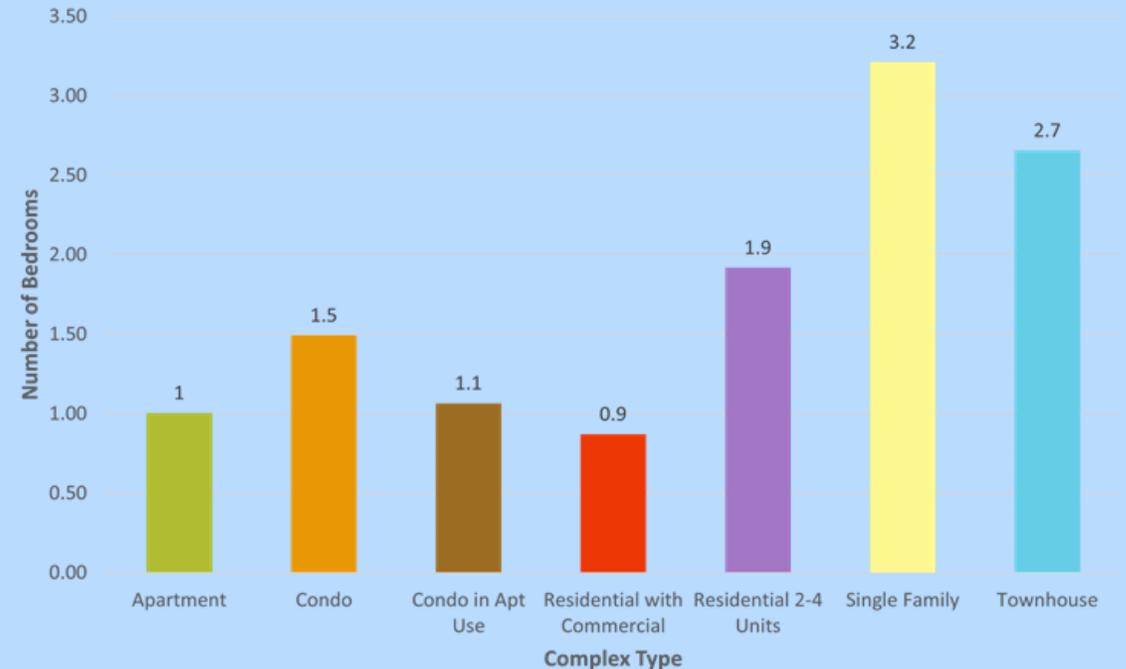
Meeting the Challenge: Supporting Affordable Housing in the Comprehensive Plan

Affordable housing and land use

Total Number of Units in Buildings Under Development with Affordable Housing (2019)



Average Number of Bedrooms by Complex Type



Existing policies do not support enough housing, small to medium sized affordable projects, or family-sized housing

Addressing Displacement in Seattle's Comprehensive Plan



Seattle
Planning
Commission

- Seattle has a history of growth at the expense of BIPOC communities. We have a responsibility to address and reverse that trend
- Past approach to growth has contributed to displacement and inequitable development.
 - Skyrocketing home purchase prices and rents
 - Housing demand outpacing supply and production
 - Lack of homeownership opportunities
 - Disproportionate impact on low-income and BIPOC households
- Embrace growth by weaving growth and anti-displacement strategies together
- Anti-displacement policies belong in multiple Comprehensive Plan elements
- Goals for anti-displacement in the Comprehensive Plan include focusing on:
 - Community-led policy and investments
 - Affordable housing production
 - Housing stabilization and community resilience
 - Continuing to evaluate and monitor displacement

Updating the Growth Strategy

Re-Imagining the Urban Village Growth Strategy

- Genuine and effective community engagement
- From Urban Villages to a network of neighborhoods
- Embracing the 15-minute city
- Actively address displacement
- Achieve housing for all
- Avoid downzoning to upzone
- Balance neighborhood preservation with the need for more housing

Repurposing the Right of Way



Seattle
Planning
Commission

Mobility Options and People-Oriented Streets in an Equitable City

- **Equitable streets for people in a growing city**
 - Land use policies such as minimum parking requirements and “free” on-street parking have prioritized the movement and storage of cars on our increasingly valuable public rights-of-way.
 - A true devotion to Vision Zero requires redesigning roads and reallocating space to reduce traffic speeds and create safe spaces for people walking, biking, and rolling.
 - Taking climate action requires allocating more space to providing safe and convenient alternatives to driving, as well as increasing tree canopy, vegetation, and “green stormwater infrastructure”.

An aerial photograph of Seattle, Washington, showing a dense urban landscape with numerous high-rise buildings and the iconic Space Needle tower. The city is situated along a waterfront with several large piers and boats. The background shows a range of mountains under a clear blue sky. The word "Questions?" is overlaid in large white text in the center of the image.

Questions?



Legislation Text

File #: CB 120750, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to land use and zoning; establishing the Connected Community Development Partnership Bonus Pilot Program; and adding new Sections 23.40.090 through 23.40.097 to the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds and declares:

A. In April 2021 the City published *Market Rate Housing Needs and Supply Analysis*, which identified that:

1. Approximately 46,000 Seattle households are cost burdened, meaning that those households spend more than half of their incomes on rent;
2. Housing supply is not keeping pace with demand;
3. Housing costs are increasing more quickly than income;
4. Seattle has insufficient zoned capacity for “missing middle” ownership housing;
5. The rental housing market has a shortage of housing affordable and available to lower income households;
6. Approximately 34,000 lower-wage workers commute more than 25 miles to Seattle demonstrating a latent demand for affordable workforce housing; and
7. As Seattle’s share of higher income households grows, development of housing for those households increases economic and physical displacement of lower income residents.

B. With the passage of Chapter 332, Laws of 2023, Seattle must modify current land use regulations to

accommodate a range of middle housing types. The City is currently in the process of environmental review for the next major update to the Comprehensive Plan, which must meet the requirements of Chapter 332, Laws of 2023. To inform future implementation of the Comprehensive Plan update, the City has an interest in exploring development pilots to demonstrate development types and partnerships that leverage community assets to provide equitable development that will not contribute to economic and physical displacement of current residents.

C. Implementing this pilot program is implementing an affordable housing incentive program under RCW 36.70A.540. The pilot program applies in most zones where residential development is allowed except some highrise zones, historic districts, and industrial areas that allow residential uses. Additional development capacity is available for development utilizing the pilot program in areas with historical racially restrictive covenants or census tracts identified by the Office of Housing for the community preference policy. Increased residential development in the area where the pilot program applies, in addition to supporting housing affordability, will increase housing choices and support development of housing and amenities, consistent with the Comprehensive Plan. The pilot program substantially increases residential development capacity for qualifying development in the areas where it applies. And, the increased residential development capacity provided in the areas where the pilot program applies can be achieved, subject to consideration of other regulatory controls on development.

D. After a public hearing, the Council has determined that the 80 percent of Area Median Income (AMI) income level for rental housing and 100 percent of AMI income level for owned housing set forth in this ordinance will allow for cross-subsidy for units with deeper affordability and is needed to address local housing market conditions consistent with RCW 36.70A.540(2)(b)(iii).

Section 2. New Sections 23.40.090 through 23.40.097 are added to the Seattle Municipal Code as follows:

23.40.090 Connected Community Development Partnership Bonus Pilot Program - Purpose

Sections 23.40.091 through 23.40.097 establish the requirements for the Connected Community Development Partnership Bonus Pilot Program. The purpose of the program is to demonstrate the social benefits of equitable development including community-serving uses and housing available to a spectrum of household incomes by setting onsite affordability standards and incentives for development of housing and equitable development uses through partnerships between public, private, and community-based organizations.

23.40.091 Definitions for Sections 23.40.090 through 23.40.097

For the purposes of Sections 23.40.090 through 23.40.097:

“Equitable development use” means activities, as determined by rule, where all components and subcomponents of the use provide mitigation against displacement pressure for individuals, households, businesses, or institutions, that comprise a cultural population at risk of displacement. An equitable development use may include, but is not limited to, activities such as gathering space, arts and cultural space, educational programming or classes, direct services, job training, or space for other social or civic purposes. Equitable development uses may also include commercial uses including but not limited to commercial kitchens and food processing, craft work and maker spaces, cafes, galleries, co-working spaces, health clinics, office spaces, and retail sales of food and goods.

“Owner unit incentive development” means a qualifying development using bonus floor area where, as determined by rule, on the date of complete building permit application submittal by a qualifying community development organization: (i) some or all of the development site is owned by a person or family with an annual income not to exceed 120 percent of area median income and who have continually resided in a dwelling unit on the property for the past ten years; and (ii) an executed partnership agreement or other binding contractual agreement with a qualifying community development organization exists affirming the applicant’s obligation to provide a dwelling unit on-site for the current owner at no cost and prohibiting resale or sublet by the owner for at least ten years, except in the event of the owner’s death.

“Qualifying community development organization” means a non-profit organization registered with the

Washington Secretary of State or a public development authority created pursuant to RCW 35.21.730, that has as its purpose the creation or preservation of affordable state or federally subsidized housing, social housing, or affordable commercial space, affordable arts space, community gathering spaces, or equitable development uses. A qualifying community development organization can consist of a partnership among one or more qualifying community development organizations, or one or more qualifying community development organizations and a partnering for-profit development entity.

“Qualifying development” means a development located on site in which a qualifying community development organization has a legally established and ongoing property-related interest on the date of complete building permit application submittal. To have a legally established and ongoing property-related interest, a qualifying community development organization shall: own at least 51 percent of the property; own at least ten percent when a partner in an entity provides site control for development; have a controlling and active management role in a corporation or partnership that owns a property, such as a sole managing member of a limited liability company or sole general partner of a limited partnership; or some other beneficial interest, as determined by rule.

“Social housing” means a residential or mixed-use structure with at least 30 percent of the dwelling units affordable to households with incomes no higher than 80 percent of area median income that is developed, publicly owned, and maintained in perpetuity by a public development authority, the charter for which specifies that its purpose is development of social housing and at a range of affordability levels within the Seattle corporate limits. Social housing is intended to promote social cohesion, sustainability, and social equity through an intentional distribution of units to households with a broad mix of sizes and incomes ranging between zero percent and 120 percent of median income.

23.40.092 Enrollment period, eligibility requirements, and owner unit incentive development application requirements

A. The enrollment period for the Connected Community Development Partnership Bonus Pilot Program

expires on the earlier of: when applications meeting the requirements of Sections 23.40.090 through 23.40.092 have been submitted for 35 projects; or December 31, 2029.

B. To qualify for the Connected Community Development Partnership Bonus Pilot Program, development must meet the following eligibility requirements:

1. Be a qualifying development;
2. Be located in a Neighborhood Residential; Multifamily, except Highrise; Commercial; or Seattle Mixed zone;
3. In commercial zones, have at least 75 percent of gross floor area in residential or equitable development use;
4. Not be located in a designated historic district, unless it is an area with historic exclusionary racial covenants; and
5. Have at least 30 percent of dwelling units and 33 percent of congregate residence sleeping rooms, as applicable, as moderate-income units, except that the duration of the recorded restrictive housing covenants shall be 75 years; or be social housing.

C. Applicants with owner unit incentive development shall provide the following documentation when submitting a permit application:

1. An affidavit or other information in a form acceptable to the Director confirming that the property is owned by a person or family with an annual income not to exceed 120 percent of area median income and who have continually resided in a dwelling unit on the property for the past ten years; and
2. An executed partnership agreement or other binding contractual agreement affirming the applicant's obligation to provide a dwelling unit on-site for the current owner at no cost and prohibiting resale or sublet by the owner for at least ten years.

23.40.093 Alternative development standards and exemptions

A. In lieu of otherwise applicable development standards contained in Chapters 23.44, 23.45, 23.47A,

and 23.48, a proposed development project that meets the requirements of Section 23.40.092 may elect to meet the alternative development standards, as applicable, of Sections 23.40.094 through 23.40.097. A determination by the Director that development meets the alternative development standards of Section 23.40.094 through 23.40.097 is a Type I decision.

B. Exemptions. Eligible projects are exempt from the requirements of Chapter 23.41, Section 23.54.015, Chapter 23.58A, Chapter 23.58B, and Chapter 23.58C.

23.40.094 Development otherwise subject to the requirements of Chapter 23.44

A. Development permitted pursuant to Section 23.40.092 may meet the following development standards:

1. Except for apartments, the density limit is one dwelling unit per 1,500 square feet of lot area in NR1, NR2, and NR3 zones and one dwelling unit per 1,200 square feet of lot area in RSL zones.

2. The maximum lot coverage is 50 percent of lot area in NR1, NR2, and NR3 zones and 65 percent in RSL zones.

3. The maximum FAR limit is 1.0 in NR1, NR2, and NR3 zones and 1.25 in RSL zones. The applicable FAR limit applies to the total chargeable floor area of all structures on the lot.

B. Owner unit incentive development permitted pursuant to Section 23.40.092 may meet the following development standards:

1. The maximum lot coverage is 60 percent of lot area in NR1, NR2, and NR3 zones and 75 percent in RSL zones.

2. The maximum FAR limit is 1.25 in NR1, NR2, and NR3 zones and 1.5 in RSL zones. The applicable FAR limit applies to the total chargeable floor area of all structures on the lot.

C. Permitted uses. In addition to the uses listed in Section 23.44.006, the following uses are permitted outright on lots meeting the requirements of Section 23.40.092: apartments, cottage housing development, rowhouse development, townhouse development, and equitable development.

D. Yard requirements. No structure shall be closer than 5 feet from any lot line, except that in RSL zones if the rear yard abuts an alley there is no rear yard requirement.

23.40.095 Development otherwise subject to the requirements of Chapter 23.45

A. Floor area

1. Development permitted pursuant to Section 23.40.092 is subject to the FAR limits as shown in

Table A for 23.40.095.

| Table A for 23.40.095 FAR limits for development permitted pursuant to Section 23.40.092 | | | | |
|---|------------------|---|--|--|
| | FAR limit | FAR limit in areas racially restrictive or areas eligible for community preference | Maximum additional exempt FAR¹ | Maximum additional FAR for owner unit incentive development |
| LR1 | 1.6 | 1.7 | 0.5 | 0.3 |
| LR2 | 1.8 | 1.9 | 1.0 | 0.5 |
| LR3 outside urban centers and urban villages | 2.5 | 2.7 | 1.0 | 0.5 |
| LR3 inside urban centers and urban villages | 3.0 | 3.3 | 1.0 | 0.5 |
| MR | 5.6 | 5.8 | 1.0 | 0.5 |
| Footnote to Table A for 23.40.095 ¹ Gross floor area for uses listed in subsection 23.40.095.A.2 are exempt from FAR calculations up to this amount. | | | | |

2. In addition to the FAR exemptions in subsection 23.45.510.D, an additional FAR exemption up to the total amount specified in Table A for 23.40.095 is allowed for any combination of the following floor area:

- a. Floor area in units with two or more bedrooms and a minimum net unit area of 850 square feet;
- b. Floor area in equitable development use; and
- c. Any floor area in a development located within 1/4 mile (1,320 feet) of a transit stop or

station served by a frequent transit route as determined pursuant to subsection 23.54.015.B.4.

3. Split-zoned lots

a. On lots located in two or more zones, the FAR limit for the entire lot shall be the highest FAR limit of all zones in which the lot is located, provided that:

1) At least 65 percent of the total lot area is in the zone with the highest FAR

limit;

2) No portion of the lot is located in an NR1, NR2, or NR3 zone; and

3) A minimum setback of 10 feet applies for any lot line that abuts a lot in an

NR1, NR2, or NR3 zone.

b. For the purposes of this subsection 23.40.095.A.3, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

B. Maximum height

1. Development permitted pursuant to Section 23.40.092 is subject to the height limits as shown in Table B for 23.40.095.

| Zone | Height limit (in feet) |
|--|-------------------------------|
| LR1 | 40 |
| LR2 | 50 |
| LR3 outside urban centers and urban villages | 55 |
| LR3 inside urban centers and urban villages | 65 |
| MR | 95 |

2. Split-zoned lots

a. On lots located in two or more zones, the height limit for the entire lot shall be the highest height limit of all zones in which the lot is located, provided that:

1) At least 65 percent of the total lot area is in the zone with the highest height

limit;

- 2) No portion of the lot is located in an NR1, NR2, or NR3; and
- 3) A minimum setback of 10 feet applies for any lot line that abuts a lot in an

NR1, NR2, or NR3 zone.

b. For the purposes of this subsection 23.40.095.B, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

C. Maximum density. Development permitted pursuant to Section 23.40.092 is not subject to the density limits and family-size unit requirements of Section 23.45.512.

23.40.096 Development otherwise subject to the requirements of Chapter 23.47A

A. Maximum height

1. The applicable height limit for development permitted pursuant to Section 23.40.092 in NC zones and C zones as designated on the Official Land Use Map, Chapter 23.32 is increased as shown in Table A for 23.40.096.

| Mapped height limit (in feet) | Height limit (in feet) |
|--------------------------------------|-------------------------------|
| 30 | 55 |
| 40 | 75 |
| 55 | 85 |
| 65 | 95 |
| 75 | 95 |
| 85 | 145 |
| 95 | 145 |

2. Split-zoned lots

a. On lots located in two or more zones, the height limit for the entire lot shall be the highest height limit of all zones in which the lot is located, provided that:

- 1) At least 65 percent of the total lot area is in the zone with the highest height

limit;

2) No portion of the lot is located in an NR1, NR2, or NR3 zone; and

3) A minimum setback of 10 feet applies for any lot line that abuts a lot in an

NR1, NR2, or NR3 zone.

b. For the purposes of this subsection 23.40.096.A.2, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

B. Floor area

1. Development permitted pursuant to Section 23.40.092 is subject to the FAR limits as shown in

Table B for 23.40.096.

| Table B for 23.40.096 FAR limits for development permitted pursuant to Section 23.40.092 | | | | |
|---|------------------|---|--|--|
| Mapped height limit (in feet) | FAR limit | FAR limit in Areas Racially Restrictive Covenants or Area Eligible for Commu Preference Policy | Maximum additional exempt FAR¹ | Maximum additional FAR for owner unit incentive development |
| 30 | 3.00 | 3.25 | 0.5 | 0.5 |
| 40 | 3.75 | 4.00 | 1.0 | 0.5 |
| 55 | 4.75 | 5.00 | 1.0 | 0.5 |
| 65 | 4.50 | 5.75 | 1.0 | 0.5 |
| 75 | 5.50 | 6.00 | 1.0 | 0.5 |
| 85 | 7.25 | 7.50 | 2.0 | 0.5 |
| 95 | 7.50 | 7.75 | 2.0 | 0.5 |
| Footnote to Table B for 23.40.096 ¹ Gross floor area for uses listed in subsection 23.40.096.B.2 are exempt from FAR calculations up to this amount. | | | | |

2. In addition to the FAR exemptions in subsection 23.47A.013.B, an additional FAR exemption up to the total amount specified in Table B for 23.40.096 is allowed for any combination of the following floor area:

a. Floor area in units with two or more bedrooms and a minimum net unit area of 850

square feet;

b. Floor area in equitable development use; and

c. Any floor area in a development located within 1/4 mile (1,320 feet) of a transit stop or station served by a frequent transit route as determined pursuant to subsection 23.54.015.B.4.

3. Split-zoned lots

a. On lots located in two or more zones, the FAR limit for the entire lot shall be the highest FAR limit of all zones in which the lot is located, provided that:

1) At least 65 percent of the total lot area is in the zone with the highest FAR limit;

2) No portion of the lot is located in an NR1, NR2, or NR3 zone; and

3) A minimum setback of 10 feet applies for any lot line that abuts a lot in an NR1, NR2, or NR3 zone.

b. For the purposes of this subsection 23.40.096.B.3, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

C. Upper-level setback. An upper-level setback of 8 feet from the lot line is required for any street-facing facade for portions of a structure exceeding the mapped height limit designated on the Official Land Use Map, Chapter 23.32.

23.40.097 Development otherwise subject to the requirements of Chapter 23.48

A. Maximum height. The applicable maximum height limit for residential uses in development permitted pursuant to Section 23.40.092 in Seattle Mixed zones is increased by the following amounts:

1. For zones with a mapped maximum height limit of 85 feet or less, 20 feet.

2. For zones with a mapped maximum height limit greater than 85 feet, 40 feet.

3. Split-zoned lots

a. On lots located in two or more zones, the height limit for the entire lot shall be the

highest height limit of all zones in which the lot is located, provided that:

- 1) At least 65 percent of the total lot area is in the zone with the highest height limit;
- 2) No portion of the lot is located in an NR1, NR2, or NR3 zone; and
- 3) A minimum setback of 10 feet applies for any lot line that abuts a lot in an NR1, NR2, or NR3 zone.

b. For the purposes of this subsection 23.40.097.A, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

B. Floor area. The applicable maximum FAR limit for residential uses in development permitted pursuant to Section 23.40.092 in Seattle Mixed zones is increased by the following amounts:

1. For zones with a mapped maximum residential height limit of 85 feet or less, 1.0 FAR.
2. For zones with a mapped maximum residential height limit greater than 85 feet, 2.0 FAR.
3. Split-zoned lots

a. On lots located in two or more zones, the FAR limit for the entire lot shall be the highest FAR limit of all zones in which the lot is located, provided that:

- 1) At least 65 percent of the total lot area is in the zone with the highest FAR limit;
- 2) No portion of the lot is located in an NR1, NR2, or NR3 zone; and
- 3) A minimum setback of 10 feet applies for any lot line that abuts a lot in an NR1, NR2, or NR3 zone.

b. For the purposes of this subsection 23.40.097.B.3, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

Section 3. The Council requests that by June 30, 2024, the Directors of the Seattle Department of Construction and Inspections, the Office of Housing, and the Office of Planning and Community Development, in consultation with the Equitable Development Initiative Advisory Board, promulgate by Director’s Rule:

A. A process and criteria for verifying that an organization is a qualifying community development organization with a legally established and on-going property-related interest in a site that would make it eligible to apply for development under the pilot program. Provided that, a qualifying community development organization may consist of a partnership between a qualifying community development organization and one or more community development organizations that do not have as their purpose the creation or preservation of affordable state or federally subsidized housing, social housing, or affordable commercial space, affordable arts space, community gathering spaces, or equitable development uses. Partnering community development organizations could include incorporated entities that advocate or provide services for refugees, immigrants, communities-of-color, members of the LGBTQIA communities, members of the community experiencing homelessness, and persons at risk of economic displacement. Partnering community development organizations could also include community-based organizations eligible for the new Jumpstart Acquisition and Preservation Program, which was added to the Housing Funding Policies through Ordinance 126611.

B. A process and criteria for verifying that an application utilizing the owner unit incentive includes an owner and agreement meeting the requirements of this ordinance.

C. A regulatory definition of “equitable development use” and a process and criteria for ensuring that an equitable development use will continue to occupy leasable space for the life of a development.

Section 4. By June 30, 2030, the Council, in consultation with the Planning Commission, will evaluate the pilot to assess its effectiveness in achieving the following objectives:

- A. Providing affordable workforce housing for communities and households that are cost-burdened;
- B. Providing neighborhood-serving equitable development uses;
- C. Forestalling or preventing economic and physical displacement of current residents; and

D. Demonstrating a variety of missing middle housing types that are affordable to households with a range of household incomes.

Section 5. Section 2 of this ordinance shall take effect on June 30, 2024.

Section 6. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council the _____ day of _____, 2024, and signed by me in open session in authentication of its passage this _____ day of _____, 2024.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2024.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2024.

Scheereen Dedman, City Clerk

(Seal)

Attachments:

SUMMARY and FISCAL NOTE

| Department: | Dept. Contact: | CBO Contact: |
|--------------------|-----------------------|---------------------|
| LEG | Ketil Freeman | NA |

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to land use and zoning; establishing the Connected Community Development Partnership Bonus Pilot Program; and adding new Sections 23.40.090 through 23.40.097 to the Seattle Municipal Code.

Summary and Background of the Legislation:

The proposal would establish a term-limited, pilot program to encourage development with low to moderate income housing and neighborhood-serving equitable development uses. The pilot is intended to model equitable development and partnership types that mitigate current direct and indirect residential and non-residential displacement pressure and address land use patterns caused by redlining and the use of racially restrictive covenants. The pilot would end by 2029 or after 35 qualifying projects have applied, whichever is earlier.

Specific elements of the proposal include:

- Defining equitable development uses broadly as activities where all components and subcomponents of the use provide mitigation against displacement pressure for individuals, households, businesses, or institutions comprise a cultural population at risk of displacement.
- Identifying minimum qualifications for program eligibility, including organization types and ownership interests among partner organizations.
- Establishing two options for the provision of a required minimum amount of affordable housing.
- Providing additional height, allowable floor area, exemptions from floor area calculations, and other development standard modifications for participating projects that, in addition to affordable housing, provide any of the following features:
 - Location in areas with historical racially restrictive covenants or areas identified by the Office of Housing (OH) as being eligible for the Community Preference Policy;
 - Provision of equitable development uses; and
 - Provision of a unit or units for partner property owners who might otherwise be at risk of displacement.
- Exempting eligible development from participation in the Design Review, Mandatory Housing Affordability program, and parking minimums.

- Requesting the Directors of the Seattle Department of Construction and Inspections (SDCI), the Office of Planning and Community Development (OPCD), and OH promulgate a Director’s Rule for administering the program.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

The proposed legislation requests that SDCI, OPCD, and OH promulgate a Director’s Rule identifying processes and criteria for vetting and verifying potential pilot program participants. Developing a joint Director’s Rule Can likely be accomplished with existing staff and resources in OPCD’s Equitable Development Initiative Division, OH’s policy and planning team, and SDCI’s code development group.

However, while developing a joint rule those departments may identify the need for ongoing resources to staff the pilot or provide technical assistance to potential program participants. While identification of needed resources is premature, those could include a .5 FTE term-limited position for the life of the program. That could be either a Senior Planning and Development Specialist at the OPCD or a Senior Community Development Specialist at OH. The fully loaded cost for each part-time position is approximately \$89,000 annually.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

See above.

Please describe any financial costs or other impacts of *not* implementing the legislation.

None.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.

The legislation requests that SDCI, OH, and OPCD promulgate a Director’s Rule for administering the program. Program applicants would have permit applications reviewed by SDCI.

b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.

The proposed legislation would apply to up to 35 projects over a five years period in most zones where residential development is allowed. The exact location of potential sites would depend on site control by organizations that qualify to participate in the pilot. A SEPA threshold determination of non-significance by OPCD, which was issued on January 18, 2024, is attached

c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

The legislation would provide a new tool to address the challenges of housing affordability and displacement, both of which disproportionately impact BIPOC communities. When implemented with the support of public funds and tools like community preference, the proposed policy could help address historic and current injustices resulting from institutionalized racist practices by supporting community-driven and community-owned development.

d. Climate Change Implications

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

The legislation is not likely to have a material effect on carbon emissions. To the extent that the legislation facilitates incrementally more or larger affordable housing development in Seattle, the legislation could marginally increase the number of Seattle residents, specifically lower-income households, able to live in compact neighborhoods where they can meet their daily needs without the use of a vehicle.

- ii. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

No

- e. **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)? What mechanisms will be used to measure progress towards meeting those goals?**

Not applicable.

5. CHECKLIST

Please click the appropriate box if any of these questions apply to this legislation.

- Is a public hearing required?** Yes. A hearing was held on February 21, 2024.
- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?** Yes. Notice was provided in the January 22, 2024 *Daily Journal of Commerce*.
- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**

Not applicable.

- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

If yes, please review requirements in Resolution 31203 for applicability and complete and attach “Additional risk analysis and fiscal analysis for non-utility partner projects” form.

Not applicable

6. ATTACHMENTS

List Summary Attachments (if any):

Summary Attachment A – SEPA Threshold Determination of Non-significance, January 18, 2024



City of Seattle

Office of Planning & Community Development
Rico Quirindongo, Director

CITY OF SEATTLE ANALYSIS AND DECISION

SEPA Threshold Determination for Connected Communities and Equitable Development Pilot Program

- Project Sponsor:** Seattle City Council
- Location of Proposal:** Commercial, Multifamily, and Neighborhood Residential Zones in Seattle
- Scope of Proposal:** The proposal is a legislative action to add a new subsection to section 23.40 of the land use code for a connected community development partnership pilot program.

BACKGROUND

Proposal Description

A Seattle City Council office is proposing a term-limited, pilot program to encourage development with low to moderate income housing and neighborhood-serving equitable development uses. The proposal would add a new subsection under section 23.40 of the land use code. The pilot program would end by 2029 or after 35 qualifying projects have applied, whichever is earlier. Qualifying projects would be subject to alternate development standards providing additional allowed height, allowable floor area, exemptions from floor area calculations for certain uses, and qualifying projects would be exempt from Design Review and Mandatory Housing Affordability (MHA) requirements.

A complete description of the proposal is included in the SEPA checklist submitted. The summary below focuses on the most relevant components for evaluation of potential environmental impact.

Developments eligible for the pilot program are those that meet the following criteria.

- At least thirty percent of housing units are affordable to moderate-income households as defined by the City's Office of Housing (annual incomes not to exceed 80 percent of median for rental units or 100 percent of median income for ownership units), or housing that meets the same affordability threshold of at least thirty percent of units affordable to households with incomes no higher than 80 percent of area median income that is developed and owned by a public development authority with a focus on social housing, which is defined in the proposal.
- The development must be located on land owned or controlled by a qualifying community development organization, and must be at least 75% residential use, and must not be in a historic district except historic districts established with racially restrictive covenants.

- The application is during the eligible pilot program period of before the year 2029 or before 35 qualifying projects have applied, whichever is earlier.

Eligible developments would be subject to alternative development standards that provide increased development capacity compared to the underlying zone.

- Height limits. Height limits would be increased by 10 feet or (approximately one story) in lowrise zones; and would be increased by 25-35 feet (approximately 2 or three stories) in midrise-scale commercial and neighborhood commercial zones, and 40-50 feet (approximately 4 stories) in highrise scale zones.
- Floor Area Ratio (FAR) limits. Maximum FAR limits would be increased by approximately 30% in lowrise and commercial and neighborhood commercial zones in areas of the city that were subject to racially restrictive covenants or are eligible for the city's community preference policy, and approximately 25% in other areas.
- Neighborhood Residential and Residential Small Lot zones. Maximum lot coverage would increase by 15%, and maximum floor area ratio would increase by 0.5, and minimum front and rear setbacks would reduce to 5 feet.
- Additional FAR exemptions would be available for floor area in the development that is in two bedroom units, that is in an equitable development use defined in the proposed code section, or in a development located within ¼ mile of frequent transit.
- An ownership unit incentive provides additional flexibility for certain development standards if the development includes a home provided to a homeowner that owned the land prior to development.

Public Comment

Proposed changes to the Land Use Code require City Council approval. Opportunity for public comment will occur during future Council meetings and a public hearing. Additionally, the council office proposing the amendment conducted community meetings to receive input from representatives of affordable housing development agencies in Seattle during the fall of 2023.

ANALYSIS - OVERVIEW

The following describes the analysis conducted to determine if the proposal is likely to result in *probable significant adverse environmental impacts*. This threshold determination is based on:

- * the copy of the proposed Ordinance;
- * the information contained in the *SEPA checklist* (January 10, 2024);
- * the information contained in the urban design study attached to the SEPA checklist; and
- * the experience of OPCD analysts in reviewing similar documents and actions.

ELEMENTS OF THE ENVIRONMENT

Short -Term Impacts

As a non-project action, the proposal will not have any short-term adverse impact on the environment. No site-specific development is proposed. Future development affected

by this legislation will be reviewed under existing laws to address any short-term impacts on the environment stemming from eligible development. Existing construction codes and environmentally critical areas codes and other regulations not altered by this proposal would apply to future developments participating in the pilot program.

Long-Term Impacts

As a non-project action, the proposal is anticipated to have moderate long-term impacts on the environment in and around the locations of any development projects that participate in the pilot program. Impacts are attributable to the increased scale and intensity of development that would be likely in eligible pilot projects compared to the development that would otherwise occur in the absence of the proposal on the same sites. The overall degree of impact is limited by the pilot nature of the proposal. A maximum of 35 eligible projects could take place and it is possible that fewer than that number would manifest. The period for eligible projects to apply under the pilot expires at the end of the year 2028.

Natural Environment

The natural environment includes potential impacts to earth, air, water, plants/animals/fisheries, energy, natural resources, environmentally sensitive areas, noise, releases of toxic or hazardous materials. Adoption of the proposed legislation is not anticipated to result in more than minor adverse impacts on any of these elements of the natural environment. The proposal could increase the potential scale, density or intensity of the future development in up to 35 development projects participating in the pilot program. The increases in scale of development in those projects could include a reduction in the amount of landscaping and vegetation on sites compared to development that would occur in the absence of the proposal, which could have a very small minor effect on elements of the natural environment. However, all development proposed under the pilot program would have to comply with the City's current energy codes, stormwater drainage standards, and Environmentally Critical Areas regulations. Therefore the new construction is not expected to have an adverse effect on the environment that exceeds that of development that could occur in the absence of the proposal. Therefore it is not expected that the increase in scale of development in the pilot projects would substantially increase the profile of impacts to earth, air, water, plants/animals/fisheries, energy, natural resources, environmentally sensitive areas, noise, or releases of toxic or hazardous materials, compared to development that could occur in the absence of the proposal. Development standards governing landscaping requirements, tree planting, or green factor are not proposed for amendment.

Built Environment

The proposed legislation will have moderate adverse impacts on the built environment in and around the specific locations where potential future developments that participate in the pilot program are located. Impacts to the built environment include any impacts related to land and shoreline use, height/bulk/scale, housing, historic preservation, transportation, and public utilities. Moderate adverse impacts stemming from the proposal would result related to height/bulk/scale in and around the specific locations near potential future pilot program projects. The proposal would result in minor adverse

impacts to land use, transportation, noise and light/glare in and around the specific locations near potential future pilot program developments. The proposal would impact housing, but the impact would be positive. Below is a discussion of impacts of the proposal on aspects of the and built environment:

Land Use

The proposed legislation will have minor adverse impacts on land use, that would be confined to isolated specific locations where potential future developments that participate in the pilot program are located. The proposal does not alter the land use code's permitted uses tables so it does not change the land use classifications that are allowed on sites. The proposal would allow an expanded range of residential housing types in Neighborhood Residential zones. And the proposal allows for incrementally larger-sizes of certain land uses that are equitable development uses by way of the FAR exemption for such uses. An example of such uses that could potentially be larger under the proposal than under existing regulations are community centers or community gathering places. These changes could result in very minor incongruence between the planned land use descriptions and intent for neighborhood residential or lowrise zones. The incongruence would only be a small expansion of the type of incongruence allowed under existing regulations, and no major inconstancy with planned and expected patterns of activity and use characteristics would result. In addition, because the proposal could allow for more floor area in pilot program projects compared to under existing regulations the intensity or degree of the land use that is already allowed by existing regulations could be increased – such as more residents doing living activities, such as walking, cooking, talking and recreating in the area. Such intensification of activity could be perceived by some as an adverse impact if they experience additional noises, smells or shifts in social mores and norms compared to prior conditions. These types of changes however are a normal feature of living in an urban place and are not considered to be a significant adverse impact.

Height/Bulk/Scale

The proposed legislation alters regulations regarding height, bulk, and scale for development proposals that participate in the pilot program by providing access to alternate development standards. The alternate development standards provide for higher height limits, floor area ratio limits and other flexibilities as described above and in the SEPA checklist and are seen in the proposed ordinance. The alternative development standards have potential to result in new pilot project buildings that are notably taller, have greater massing, and cover greater portions of sites than other neighboring structures. The increases could result in pilot program structures that are notably different in character and scale than the vicinity of the surrounding neighborhood. The urban design study attached to the checklist was consulted for consideration of the general nature of the potential impact, as well as contemplation by the department of the type of developments known to be likely under the proposed alternate development standards. It is likely that moderate impacts will stem from the potential increases to height/bulk/scale, but those impacts will be isolated to the specific locations in and around pilot program developments.

The specific nature of the adverse height/bulk/scale impacts could include the following. New larger structures could appear aesthetically to be looming or bulky to neighbors, pedestrians, and residents of the area. The larger scale structures could cast shadows onto neighboring properties and sidewalks that would be incrementally larger than from development that could occur in the absence of the proposal. Larger structures could impede some views and vistas that residents or users of an area where a pilot project is located are accustomed to. Increased bulk and scale of potentially larger new structures could be perceived by some as aesthetically displeasing because of a divergence with an established consistent scale of other structures in the block or neighborhood. The height/bulk/scale impacts above will be most acute in the immediate vicinity of pilot program developments and those development will be limited to a maximum of 35, which are likely to be dispersed and distributed across the city.

Historic Preservation

As noted in the SEPA checklist the area affected by the proposal includes historic landmark structures. The proposal does not encourage demolition of a landmark structures compared to the absence of the proposal. The proposed legislation does not alter the City's historic review processes for Landmark structures or structures in a designated historic district. Those processes would continue to provide strong protection of historic resources. The proposal does not affect land in historic districts except for the historic districts that were established with racially restrictive covenants. The majority of the City's designated historic districts were not established with racially restrictive covenant. The proposed alternate development standards could increase the maximum development capacity on sites that contain a historic-aged or designated historic structure. The increase development capacity could potentially increase the pressure to redevelop those properties, which could marginally increase the risk of alteration of historic aged structures and possible degradation of historic resources. However, adaptive reuse that restores and preserves historic resources is also possible in those scenarios. In the absence of a specific development proposal or more information about specific development sites it is not possible to identify specific adverse impacts to historic resources. It must be noted that the pilot program is limited to a maximum of 35 projects total, and the likelihood of any of those projects being located on a designated historic property is minimal because the complexity of development of a historic property would likely deter eligible organizations from selecting historic properties for pilot projects. In light of the factors discussed above no adverse impact to historic resources that is more than minor is expected.

Noise, Light & Glare, Environmental Health,

Impacts discussed above concerning height/bulk/scale could also manifest as adverse impacts in the form of noise and light and glare. These impacts would only be present in and around the specific locations of potential future pilot projects. Structures that are larger than neighboring structures could emit light from windows and exterior lighting fixtures visible to neighboring properties and rights of way in quantities that are greater than those that would be possible under existing regulations. If a higher number of homes are located on a pilot program site compared to the number that would result from development under existing regulations there could be an increased amount of

noise from resident activities – such as entering and exiting the building, verbal communication, music, and access by vehicles or other methods. These types of increases to noise and light and glare could create an adverse impact in the immediate vicinity of potential pilot program developments. The increases to noise, light and glare impacts would be incremental as compared to development that could occur in the absence of the proposal, and the impacts would be in isolated locations limited to a maximum of 35 across the city. For these reasons impacts to noise and light and glare would not be more than minor.

Transportation and Parking

The proposed legislation will have minor adverse impacts on transportation and parking that would be confined to isolated specific locations where potential future developments that participate in the pilot program are located. Pilot program projects could include a greater number of residents and a greater amount of floor area in equitable development uses than would occur in potential development on the same sites in the absence of the proposal. As a result there are likely to be a greater number of trips by residents to and from the site, and there is potential for equitable development uses to attract pulses of activity by visitors and patrons. The increased trips could be vehicle trips, trips by transit or nonmotorized transportation. The impact from these trips could manifest as incremental congestion on adjacent roadways or sidewalks during peak times of activity such as commute hours. Since pilot projects are likely to be individual projects in an area these congestion impacts would only be likely if the pilot project is located on a narrow or non-arterial roadway and even in that case would not be more than minor. The vicinity of pilot projects could see an adverse impact to the availability of on-street parking if residents possess vehicles and park them on the street. A factor that mitigates the potential for impact to transportation and parking is that many of the pilot projects would be located in areas well-served by transit because eligible organizations have a preference for transit-served sites. Due to the limited pilot nature of the proposal, it is not likely that the overall magnitude of impact would be large enough to materially impact the city's transportation level of service. The type of localized transportation impacts described above would not result in more than a minor impact.

Public Services and Utilities

The proposed legislation will have minor adverse impacts on public services in and around the specific locations of potential future developments that participate in the pilot program. Pilot program projects could include a greater number of residents and a greater amount of floor area in equitable development uses than would occur in potential development on the same sites in the absence of the proposal. As a result there is likely to be an incrementally greater demand on public services such as emergency services, usage of nearby parks and opens space, libraries etc. than would occur in the absence of the proposal. The additional demand could cause a very small increases to the crowding of public spaces or the time needed to wait for service by a librarian or similar effects of an incrementally increased number of people in a localized area. However, the degree of the potential impact on services from the maximum of 35 pilot projects would not be large enough to materially affect the city's level of service. With respect to utilities the increased load on utility infrastructure from a maximum of 35

pilot projects distributed across the city would not be large enough to create a perceptible adverse impact on those systems – such as the electrical grid, or sanitary sewer system.

DECISION – SEPA

This decision was made after review by the responsible official on behalf of the lead agency of a completed environmental checklist and other information on file with the responsible department. This constitutes the Threshold Determination and form. The intent of this declaration is to satisfy the requirements of the State Environmental Policy Act (RCW 43.21C), including the requirement to inform the public agency decisions pursuant to SEPA.

- Determination of Non-Significance. This proposal has been determined to not have a significant adverse impact upon the environment. An EIS is not required under RCW 43.21C.030(2)(c).
- Determination of Significance. This proposal has or may have a significant adverse impact upon the environment. An EIS is required under RCW 43.21C.030(2)(c).

The limited number and eligibility timeframe of the proposal factors prominently in this environmental determination. Adverse impacts to localized areas of potential pilot program projects are identified and disclosed, however these impacts are not determined to rise to the level of significant impact because they would be isolated to specific locations that are most likely to be dispersed throughout the city.

RECOMMENDED CONDITONS--SEPA

If adopted into law, evaluate the degree of environmental impact of resulting pilot program development projects before renewing or expanding the pilot program.

Signature: ___[On File]_____

Geoffrey Wentlandt, Land Use Policy Manager
Office of Planning and Community Development

Date: January 12, 2024



SEATTLE CITY COUNCIL
CENTRAL STAFF

Connected Communities/EDZ

LISH WHITSON, LEGISLATIVE ANALYST

LAND USE COMMITTEE

MARCH 20, 2024

Topics

- Background
- Qualification
- Flexibility
- Geography
- Exemptions
- Administrability

Background – Program Purpose

Demonstrate the *social benefits of equitable development* including *community-serving uses* and *housing available to a spectrum of household incomes* by setting onsite affordability standards and incentives for development of housing and equitable development uses through partnerships between public, private, and community-based organizations.

Proposed Seattle Municipal Code Section 23.40.090

Background - Comparable Programs

- Affordable Housing on Religious Organization Property
- Living Building Pilot Program
- 2030 Challenge Pilot program

Program Qualifications - Developer

- Must meet the definition of a “qualifying community development organization” (QCDO) (SMC 23.40.091)
- A QCDO must
 - Own at least 51 percent of the project;
 - Own at least 10 percent of the project, if a development partner has provided land for the project;
 - Have a controlling and active management role in the organization that owns the land where development would occur; OR
 - Have another beneficial interest (to be defined by rule.)

Program Qualifications - Affordability

- Projects must
 - Maintain at least 30 percent of dwelling units and 33 percent of congregate residence sleeping rooms as moderate-income units for 75 years; or
 - Qualify as social housing.
- Moderate income housing is
 - Rental units affordable to households earning up to 80% AMI; or
 - Ownership units affordable to households earning up to 100% AMI.
- Social housing has
 - At least 30 percent of dwelling units affordable to households with incomes up to 80% AMI;
 - Built, owned, maintained by a social housing public development authority.

Program Qualifications - Affordability

- Affordable Housing on Religious Organization Property legislation requires 100 percent of all units in a project to be affordable at or below 80% AMI
- Mandatory Housing Affordability-Residential performance program requires:
 - Between 2.1 and 11 percent of all units in a project
 - Affordable at 40% AMI for small units, 60% AMI for rentals, or 80% AMI for ownership
- Downtown incentive zoning provisions require:
 - 80% AMI for rental housing or 100% AMI for ownership housing; and
 - 14.0 percent of the extra floor area (for zones with heights up to 85 feet)
 - 8.0 percent of the extra floor area (for zones with heights above 85 feet)

Program Qualification - Owner's Units

Allows density bonus if:

- A homeowner with an income at or below 120% AMI;
- Is guaranteed a unit on-site at no cost

Unit may not be resold or sublet by the owner for at least 10 years



Zoning Flexibility

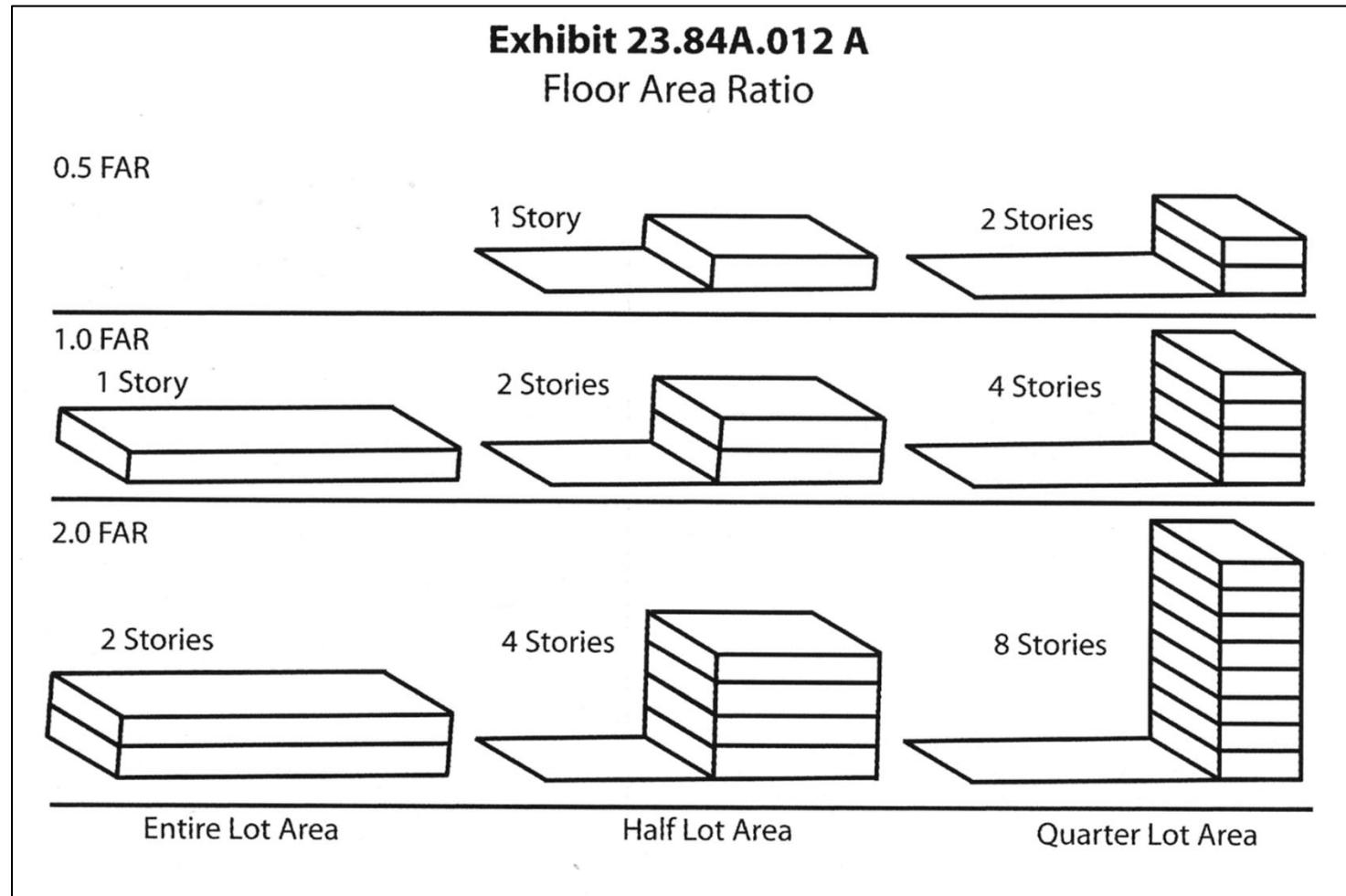
Participation allows:

- Taller buildings;
- Larger buildings; and
- In Neighborhood Residential (NR) zones
 - Wider and deeper buildings,
 - Smaller yards,
 - Higher residential densities, and
 - Equitable development and multifamily uses.

Flexibility - Height

| Zoned Height Limit | Religious Institution Bonus | Living Building Pilot and 2030 Challenge | Connected Communities |
|--------------------|-----------------------------|--|-----------------------|
| Less than 85 feet | 10 feet - 30 feet | 12.5 feet – 15 feet | 10 feet – 30 feet |
| 85 feet or greater | 40 feet - 60 feet | 25 feet – 30 feet | 50 feet – 60 feet |

Flexibility – Floor Area Ratios



Flexibility – Maximum Floor Area Ratios Allowed

| Zone | Standard FAR Limit | Religious Properties | Green Building Incentives | Connected Communities |
|--------------------------|--------------------|----------------------|---------------------------|-----------------------|
| Neighborhood Residential | 0.5 | 1.0 | 0.63 | 1.25 |
| Residential Small Lot | 0.75 | 1.2 | 0.93 | 1.5 |
| Lowrise 1 | 1.3 | 1.8 | 1.63 | 2.0 |
| Lowrise 2 | 1.4 | 2.1 | 1.75 | 2.4 |
| Lowrise 3 | 2.3 | 3.75 | 2.88 | 3.8 |
| Midrise | 4.5 | 5.5 | 5.63 | 6.3 |

Flexibility – Maximum Floor Area Ratios Allowed

| Zone | Standard FAR Limit | Religious Properties | Green Building Incentives | Connected Communities |
|----------------------------------|--------------------|----------------------|---------------------------|-----------------------|
| Commercial zones by height limit | | | | |
| 30 feet | 2.5 | 3.0 | 3.13 | 3.75 |
| 40 feet | 3.25 | 4.5 | 4.06 | 4.5 |
| 55 feet | 4.25 | 5.25 | 5.31 | 5.5 |
| 65 feet | 4.75 | 5.75 | 5.94 | 6.25 |
| 75 feet | 6.0 | 5.75 | 7.5 | 6.5 |
| 85 feet | 6.0 | 5.75 | 7.5 | 8.0 |
| 95 feet | 6.25 | 7.0 | 7.81 | 8.25 |

Flexibility - FAR Exemptions

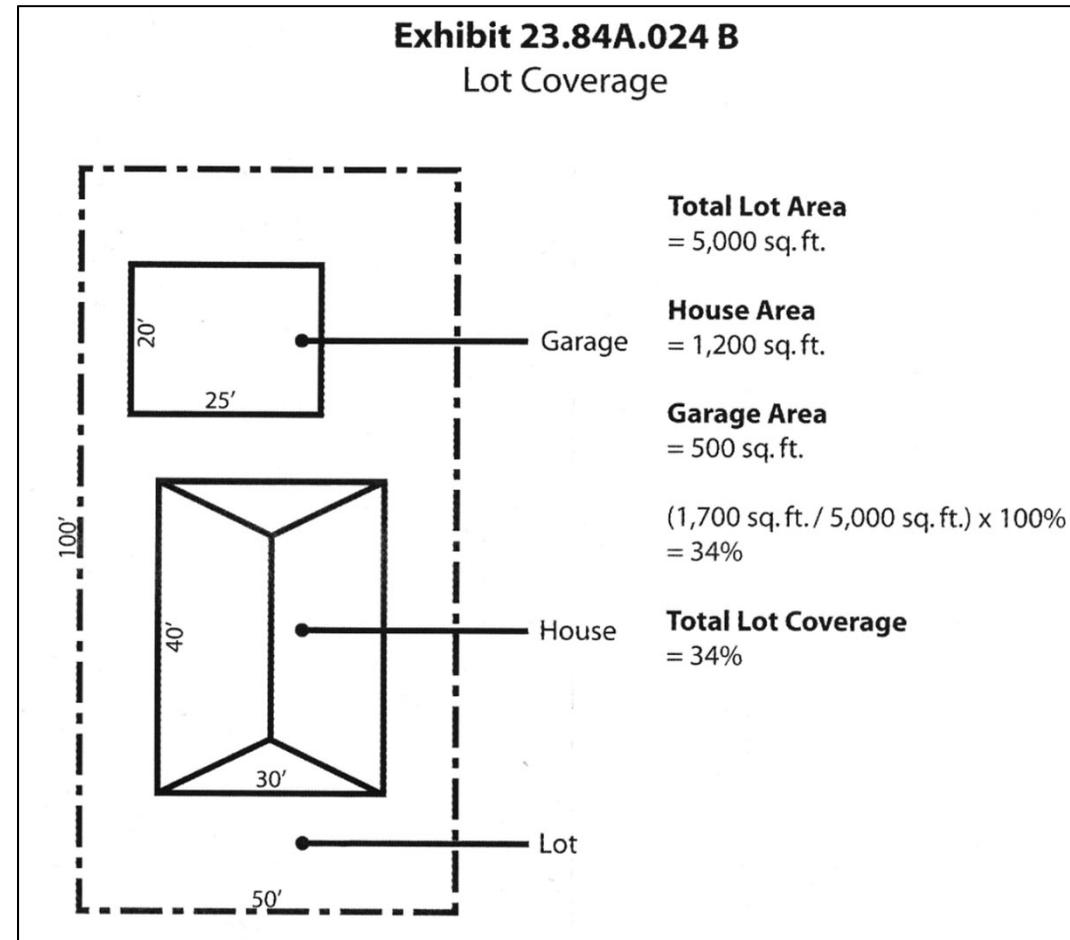
In addition to increased FAR limits, some spaces would be exempt from FAR limits:

- Two bedrooms units that are at least 850 square feet;
- Equitable development uses; or
- Buildings within a quarter mile of a frequent transit stop

The maximum exemption would range from 0.5 FAR to 2.0 FAR depending on the zone

Flexibility – Lot Coverage and Yards

| | Current NR Requirement | Requirement under Pilot |
|--------------------|------------------------|-------------------------|
| Lot Coverage Limit | 35% | 50% |
| Front Yard | 20 feet | 5 feet |
| Rear Yard | 25 feet | 5 feet |
| Side Yard | 5 feet | 5 feet |



Flexibility - FAR Exemptions

In addition to increased FAR limits, some spaces would be exempt from FAR limits:

- Two bedrooms units that are at least 850 square feet;
- Equitable development uses; or
- Buildings within a quarter mile of a frequent transit stop

The maximum exemption ranges from 0.5 FAR to 2.0 FAR depending on the zone

Flexibility - Density and Uses in NR zones

| Zone | Current Density | Connected Communities |
|------|--|--|
| NR1 | 1 principal unit per 9,600 square feet | 1 principal unit per 1,500 square feet |
| NR2 | 1 principal unit per 7,200 square feet | |
| NR3 | 1 principal unit per 5,000 square feet | |

The pilot would allow apartments, cottage housing development, rowhouse development, and townhouse development in NR zones, where otherwise not allowed.

The pilot would also allow equitable development uses in NR zones:

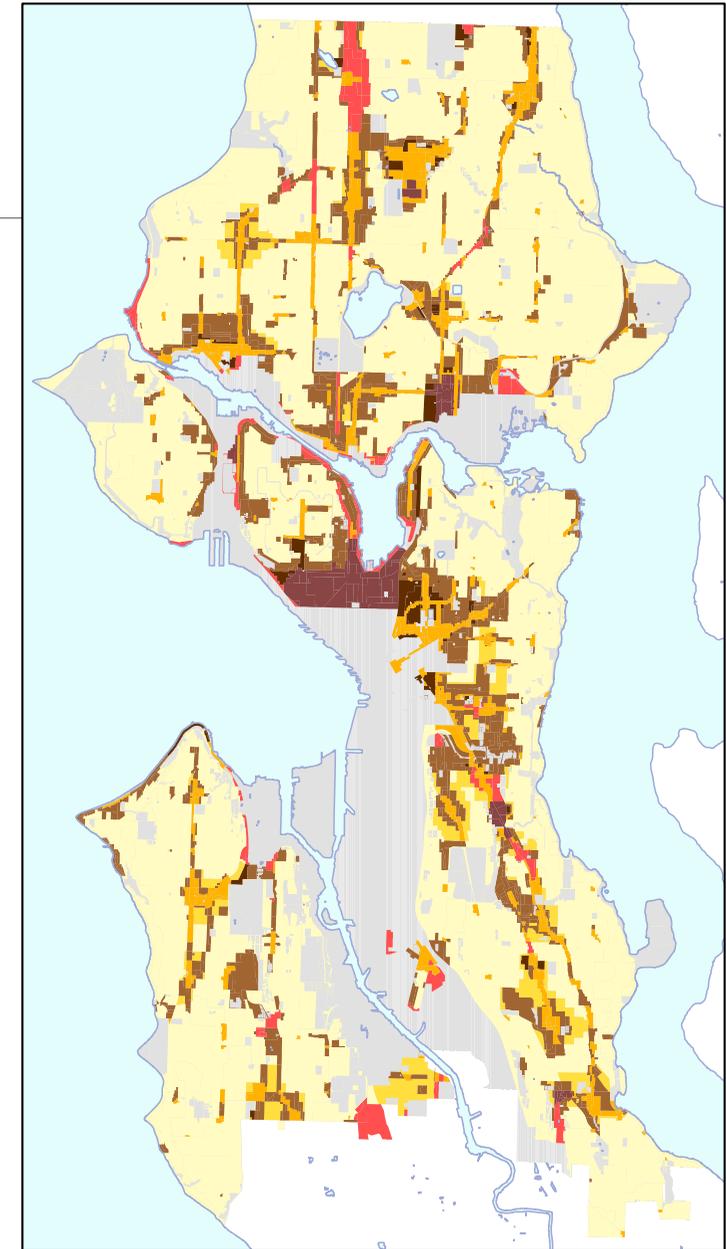
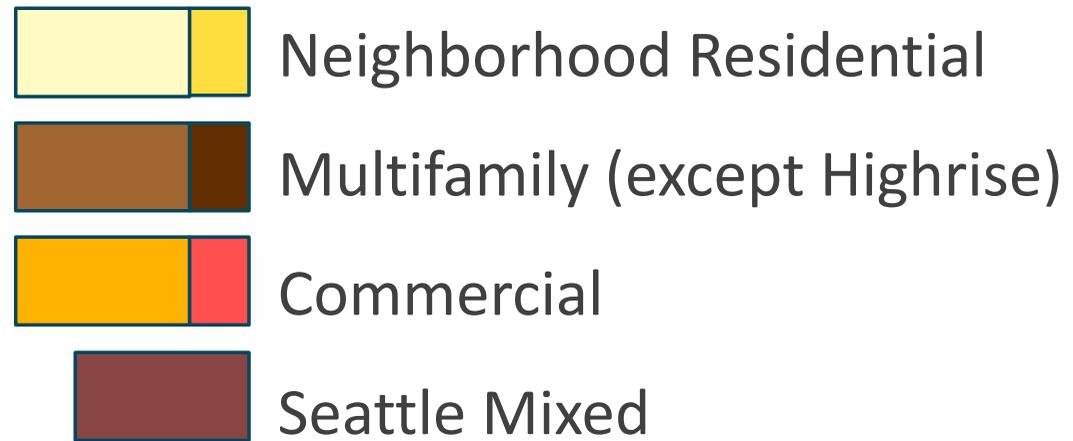
“Activities... [that] provide mitigation against displacement pressure for individuals, households, businesses, or institutions, that comprise a cultural population at risk of displacement.”

May include institutional or commercial uses not otherwise allowed in an NR zone.

Flexibility – Lowrise 3 Example

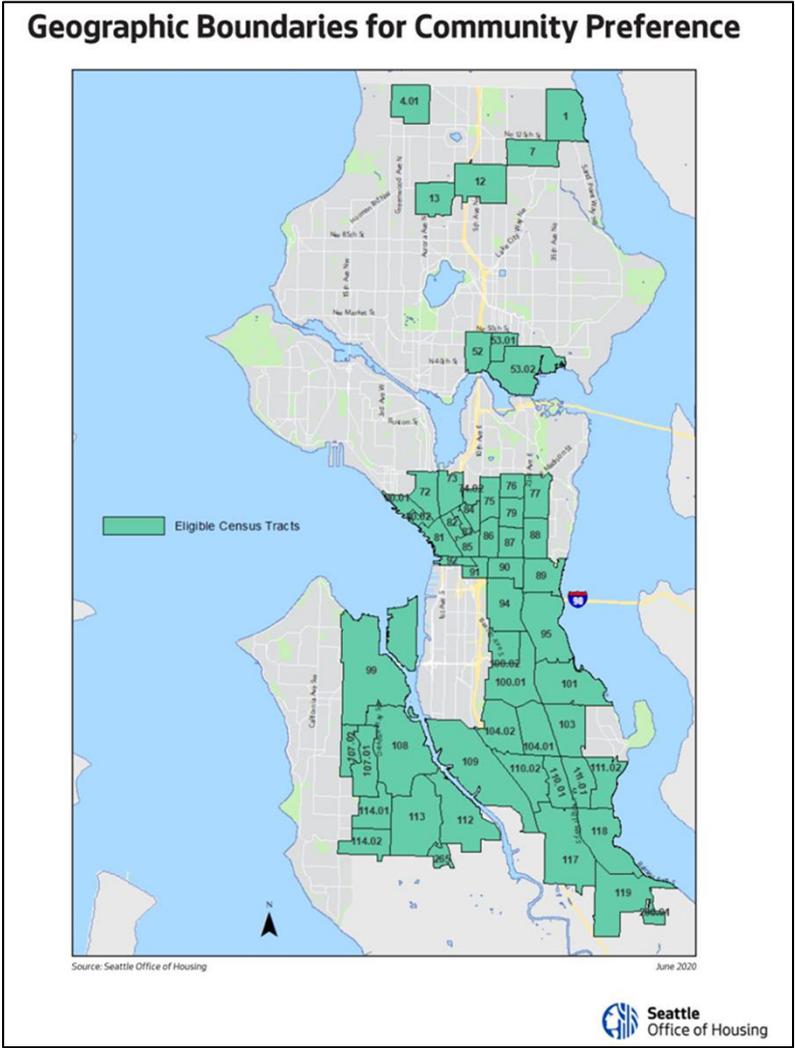


Geography - Zones



Geography – Preference Areas

Highest FARs in Multifamily and Commercial zones would be allowed in Community Preference Areas and areas with Racially Restrictive Covenants



Exemptions

- Design Review
- Parking requirements
- Incentive zoning (only applicable in the Seattle Mixed zones)
- Mandatory Housing Affordability

Administrability

Rulemaking

- Process and criteria for determining whether an organization meets qualifications
- Process and criteria for owner's unit provisions
- Definition of "equitable development use"

June 30, 2024, effective date

Evaluation in 2030

Questions?

March 6, 2024

MEMORANDUM

To: Land Use Committee
From: Lish Whitson and Ketil Freeman, Analysts
Subject: Connected Communities Legislation

On March 20, 2024, the Land Use Committee (Committee) will continue its discussion of the Connected Communities pilot legislation (Attachment 1). The bill was discussed at the February 7 and February 21 Committee meetings (see the [February 2 Central Staff](#) memo for an overview of the proposed bill).

The legislation intends to foster development that can demonstrate the social benefits of projects that include community-serving equitable development uses and housing available to a range of household incomes. It intends to do that by offering flexibility to develop mixed use housing and equitable community development projects. Qualifying projects would include partnerships between public, private, and community-based organizations. The key policy questions the bill raises include: (1) are the proposed Land Use Code incentives, which will allow larger buildings in specified areas, appropriately balanced by the social benefits the pilot is intended to provide; and (2) will these incentives effectively encourage more of these projects?

To support committee consideration of the first question, this memorandum describes the requirements and incentives included in the bill and identifies issues that Councilmembers may want to consider in developing amendments. It covers the following topics:

1. Program qualifications, including affordability and partnership requirements;
2. Zoning flexibility;
3. Geography;
4. Exemptions from zoning requirements; and
5. Program administrability.

Regarding the second question, the purpose of launching the connected communities program as a pilot program is in part to understand if these incentives will encourage more equitable development projects.

Background

The City has long used Land Use Code incentives to encourage certain development goals – like increasing the production of affordable housing or green buildings with climate benefits. Some of these programs have been permanent features of the land use code, others have been developed as pilot programs intended to explore new ways of regulating land uses. The

Connected Communities pilot would add a new program to the menu of incentive programs the City currently uses in the Land Use Code. Components of the Connected Communities pilot is modelled on an affordable housing development capacity bonus for religious institutions, required under the Growth Management Act.¹

The City enacted that bonus program through [Ordinance 126384](#) in 2021. At the time, the Office of Planning and Community Development (OPCD) identified 692 parcels that were owned by religious institutions where development utilizing the bonus could occur. Forty-one percent of those are located in Neighborhood Residential (NR) zones.² That bonus program as well as other currently operating green building incentive programs that offer bonus development capacity, such as the [Living Building Pilot Program](#) (adopted 2009) and the [2030 Challenge](#) pilot program (adopted 2018), are used in this memo as bases for comparison.

ISSUE IDENTIFICATION

1. Program qualifications

The proposed bill would allow qualifying community development organizations (QCDO) with ongoing property-related interests, either on their own or in partnership with a non-profit or for-profit development partner, to build larger or denser residential or mixed-use projects than the Land Use Code (Code) would otherwise allow. To qualify, a CDO would need to meet one of the listed partnership configurations options and any housing in the project would need to meet specific affordability requirements. Projects would be eligible for additional floor area if an “owner’s unit” is included.

Depending on the Council’s goals, it may be appropriate to amend or remove any of these criteria.

Developer Structure

In order for a project to qualify for the pilot program, a community development organization (CDO) would need to:

- a. Own 51 percent of the project;
- b. Own at least 10 percent of the project if a development partner has provided land for the project;
- c. Have a controlling and active management role in the organization that owns the land where the development would occur; or
- d. Have another beneficial interest, to be defined in a rule promulgated by the Seattle Department of Construction and Inspections (SDCI).

¹ See [RCW 36.70.545](#).

² Affordable Housing on Religious Organization Property: [Director’s Report](#). Seattle Office of Planning and Community Development and Office of Housing, May 2021.

As listed above, there are a number of partnership configurations offered to qualify for the increased density. These range from a CDO controlling 51 percent or more of the property where development is proposed to the CDO simply having a beneficial interest in the property. Councilmembers can adjust these thresholds to either increase or decrease the amount of control that a CDO must have in a partnership to qualify for the program. Increasing requirements would likely reduce the number of partnerships that qualify for the program. Reducing the requirements would potentially result in more projects that qualify for the program, but each of the projects would be less likely to provide the benefits the program is intended to support.

Affordability

Projects qualifying for the program would also need to:

- a. Maintain at least 30 percent of any dwelling units and 33 percent of any congregate residence sleeping rooms as moderate-income units with a restrictive covenant requiring affordability for at least 75 years, or be social housing; and
- b. If located in a commercial zone, have at least 75 percent of its floor area in residential or equitable development use.

The Code defines moderate income housing as rental housing that is affordable to households earning 80 percent or less of the area median income (AMI), or ownership housing that is affordable to households earning 100 percent AMI or less.³ To be classified as affordable housing, there needs to be an agreement in place with a public agency that ensures that the housing will remain affordable over the term of the requirement. Generally, affordable housing is priced so that no more than 30 percent of a household's income is spent on housing costs.

The proposed legislation is intended to incentivize development that includes both housing for moderate-income households and space for non-profits that are working to address displacement. This is in part to see if cross-subsidies within the residential portion of these projects, and between the residential and non-residential components of projects, will 1) help to reduce the risk of displacement in communities most at risk of displacement, and 2) support increased housing opportunity in areas that historically excluded Black, Indigenous, Asian, or Jewish residents. Income levels are set to provide flexibility for development.

Other City incentive programs either require more affordable units (religious facilities) or deeper affordability levels (Downtown housing incentives.)

If consistency across incentive programs is a priority, Councilmembers may want to consider amending the bill to either (1) reduce the income levels that projects need to meet, or (2) increase the percentage of affordable units a project must include to align it with these other

³ In 2023, a single person earning \$70,650 would have an income at 80 percent AMI. A four-person household earning \$100,900 would also have an income at 80 percent AMI. [Office of Housing 2023 Income & Rent Limits](#).

programs. Either change will likely reduce the number of projects that would qualify for the program and would increase the difficulty for projects to be built without needing public housing subsidies.

Owner unit

The pilot would allow additional development capacity for projects including an “owner’s unit.” The owner’s unit incentive would be available if, at the time of a building permit application:

- a. some or all of the development site is owned by a person or family earning up to 120 percent of the median area income; and
- b. the development agreement requires that the project include a dwelling unit “on-site for the current owner at no cost and prohibiting resale or sublet by the owner for at least ten years, except in the event of the owner’s death.”

The intent behind providing an owner unit incentive is to prevent displacement and increase generational wealth by providing incentives for QCDOs to provide the legacy property owner a unit in the building. While the owner would receive a new unit, which would be subject to resale and rental restrictions for a period of 10 years unless the owner dies, there is no requirement that the owner unit have an equivalent value to the prior residence. The Council may want to require more specificity about a fair market value exchange.

The bill does not appear to contemplate that development may occur on multiple lots with multiple qualifying owners. The Council may want to tie the additional floor area granted to owner’s units to the individual lot that is acquired from each owner and allow for multiple owner’s units.

2. Zoning flexibility

The proposed bill would allow significant increases in development potential on lots that qualify for the program. Those increases are greater than those provided under other pilots. Councilmembers should consider the benefits provided under the bill and the benefits provided by qualifying development and decide whether those increases are appropriate.

Types of development standard changes

The bill would allow flexibility for QCDO to build:

- taller structures through increases to height limits in multifamily, commercial and Seattle Mixed (SM) zones;
- wider and deeper structures through increases in lot coverage in NR zones;
- structures closer to their neighbors through decreases to required yards and setbacks in NR zones;
- equitable development and multifamily uses that may not otherwise be allowed in NR and multifamily zones;
- bulkier structures through increase to floor area ratios and exemptions from floor area limits in all zones where the program applies; and
- more units on a lot through changes to density limits in NR zones.

Height changes

The bill would allow taller buildings in multifamily, commercial and SM zones. In multifamily zones, the height increase would add 10 to 15 feet to the maximum height, allowing approximately one additional story.⁴ In commercial zones, the height increases are larger. In commercial zones with a 30-foot height limit, projects could be built up to 55 feet tall, or five stories. In zones with an 85-foot height limit, projects could be built up to 145 feet tall, adding an additional six stories. These increases are similar to those provided under the [Affordable Housing on Religious Property](#) legislation adopted in 2021. They are higher than the additional height allowed under the City’s [living building pilot](#) or [2030 Challenge](#) pilot, which allow between 15 and 30 feet of additional height, depending on the base height limit. See Table 1.

Table 1. Height Bonus Comparison

| Height Limit of Multifamily, Commercial and SM Zones | Religious Institution Bonus | Living Building Pilot and 2030 Challenge | Connected Communities |
|--|-----------------------------|--|-----------------------|
| Less than 85 feet | 10 – 30 feet | 12.5 - 15 feet | 10 – 30 feet |
| 85 feet or greater | 40 – 60 feet | 25 – 30 feet | 50 – 60 feet |

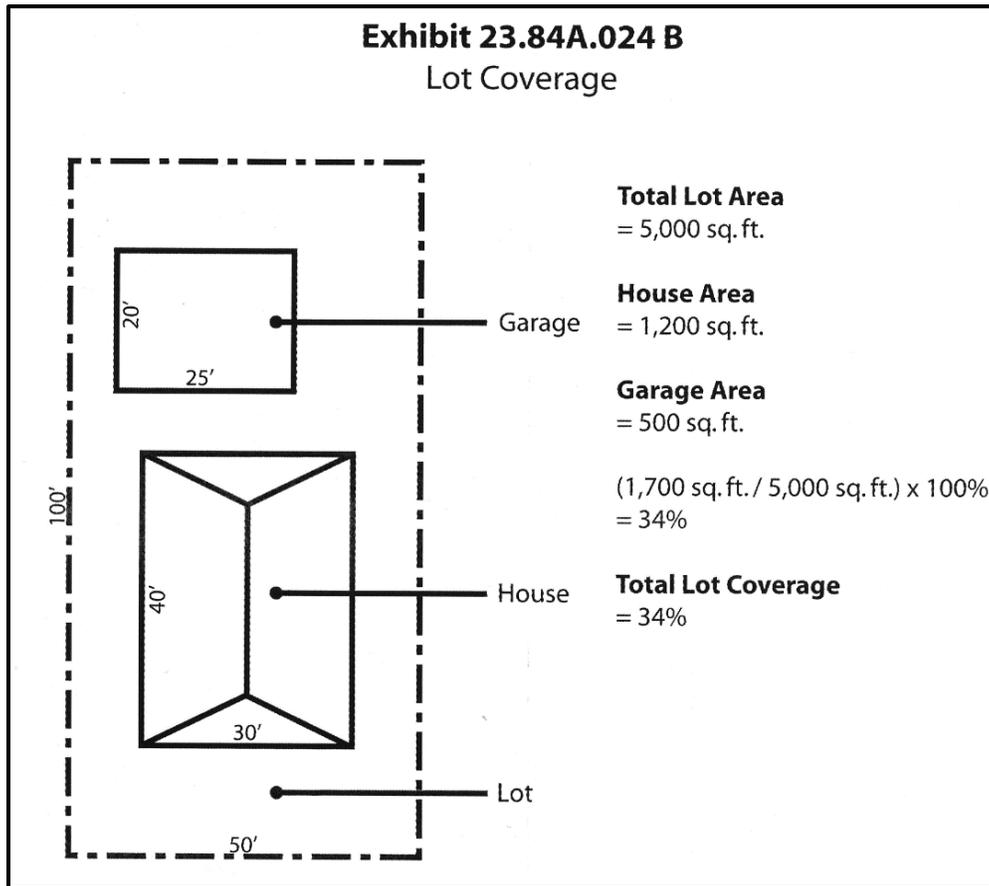
Impacts of increased height could include visual and shadowing impacts on adjacent properties.

Lot coverage and yard changes

In the NR zones, the bill would not allow for building height increases. Instead, it would allow projects in NR zones to occupy more of the lot area by increasing the maximum lot coverage allowance and allow for reductions in the depth of required yards. For most NR lots, permitted lot coverage would increase from 35 percent of the lot area to 50 percent of the lot area. For a standard 5,000 square foot lot in an NR1 zone, the amount of coverage would increase from 1,750 square feet of the lot to 2,500 square feet. Figure 1, an image from Seattle Municipal Code (SMC) section [23.84A.024](#), provides an example of lot coverage on a typical NR1 lot.

⁴ On average a residential story in a building is ten feet tall from the floor of one story to the floor of the story above. Floor-to-floor heights can be as low as eight feet tall.

Figure 1



Increases in lot coverage can lead to smaller planting areas and increases in the amount of impervious area on a lot. This would provide less flexibility to preserve existing trees on lots redeveloped under this incentive pilot.

Another way that the bill allows additional flexibility in NR zones is to allow for smaller yards. Rather than require 20-foot-deep front yards, rear yards of at least 25 feet, and 5-foot-deep side yards, yard would have to be at least five feet on all sides of a lot. This would provide flexibility of where to site buildings on a lot but could result in buildings being closer to neighboring houses than otherwise would be permitted.

The Affordable Housing on Religious Property program did not amend lot yard requirements. The green building incentive programs do not apply in NR zones.

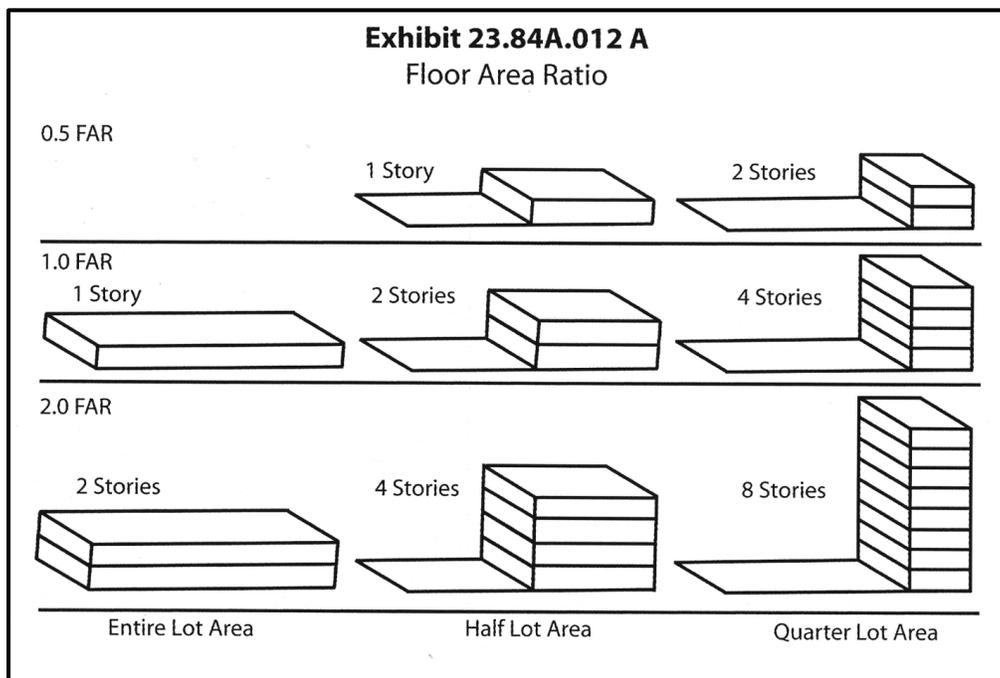
Floor Area Ratio changes

Floor Area Ratio or FAR is a measure of the size of a building compared to the size of a lot. At its most general, the FAR is determined by adding together all the floor space within a structure and dividing it by the lot area. For example:

- A 1,500 square foot single family house on a 5,000 square foot lot is 0.3 FAR ($1,500 \div 5,000 = 0.3$).
- A 100,000 square foot office building on a 20,000 square foot lot would have 5 FAR ($100,000 \div 20,000 = 5$).

FAR is intended to be a flexible way to regulate the size of structures because structures containing the same amount of FAR can have many different sizes and shapes depending on other regulations and development decisions. Figure 2, from the definition of FAR in the Code (SMC [23.84A.012](#)), is intended to show a range of different options when different FARs are built at different heights and lot coverages.

Figure 2



FAR Increases

The proposed bill would increase the permitted FAR under each of the different zoning categories. In multifamily and commercial zones, additional FAR would be allowed in areas with racially restrictive covenants or areas eligible for community preference (preference areas), and for most zones additional FAR is permitted for owner's units. Tables 2 and 3 compare the connected communities FARs to the Religious Institution program and the green building pilots.

Table 2. FAR Comparison in NR and Multifamily zones

| Zone | Standard FAR Limit | Religious Institution Bonus Maximum FAR limit | Living Building Pilot and 2030 Challenge | Connected Communities | | | |
|------------------------|--------------------|---|--|-----------------------|---------------------|--|----------------------|
| | | | | Base FAR | Preference Area FAR | Additional FAR allowed for owner unit ⁵ | Maximum possible FAR |
| NR1, NR2, NR3 | 0.5 | 1.0 | 0.63 | 1.0 | N/A | 0.25 | 1.25 |
| RSL | 0.75 | 1.2 | 0.93 | 1.25 | N/A | 0.25 | 1.5 |
| Lowrise 1 | 1.3 | 1.8 | 1.63 | 1.6 | 1.7 | 0.3 | 2.0 |
| Lowrise 2 | 1.4 | 2.1 | 1.75 | 1.8 | 1.9 | 0.5 | 2.4 |
| Lowrise 3 ⁶ | 1.8-2.3 | 3.0-3.75 | 2.25-2.88 | 2.5-3.0 | 2.7-3.3 | 0.5 | 3.8 |
| Midrise | 4.5 | 5.5 | 5.63 | 5.6 | 5.8 | 0.5 | 6.3 |

Table 3. FAR Comparison in Commercial zones

| Zoned height limit (feet) | Standard FAR Limit ⁷ | Religious Institution Bonus Maximum FAR limit | Living Building Pilot and 2030 Challenge | Connected Communities | | | |
|---------------------------|---------------------------------|---|--|-----------------------|---------------------|--|----------------------|
| | | | | Base FAR | Preference Area FAR | Additional FAR allowed for owner unit ⁶ | Maximum possible FAR |
| 30 | 2.5 | 3.0 | 3.13 | 3.0 | 3.25 | 0.5 | 3.75 |
| 40 | 3.0-3.25 | 4.5 | 3.75-4.06 | 3.75 | 4.0 | 0.5 | 4.5 |
| 55 | 3.75-4.25 | 5.25 | 4.69-5.31 | 4.75 | 5.0 | 0.5 | 5.5 |
| 65 | 4.5-4.75 | 5.75 | 5.63-5.94 | 4.50 | 5.75 | 0.5 | 6.25 |
| 75 | 5.5-6 | 5.75 | 6.88-7.5 | 5.50 | 6.0 | 0.5 | 6.5 |
| 85 | 5.75-6 | 5.75 | 7.2-7.5 | 7.25 | 7.5 | 0.5 | 8 |
| 95 | 6.25 | 7 | 7.81 | 7.50 | 7.75 | 0.5 | 8.25 |

The SM zone provisions add either 1.0 or 2.0 FAR to the maximum amount of FAR allowed for residential development. This is less than the 1.5 and 3.0 FAR provided under the Affordable Housing on Religious Property program. SM zones allow between 2.5 and 12 FAR.

⁵ This additional FAR is added to either the Base FAR or the Preference Area FAR, as appropriate.

⁶ The Lowrise 3 zone has higher FAR limits for locations inside urban centers and villages.

⁷ When there are two numbers, the higher FAR limit is for sites within a Station Area Overlay district.

FAR Exemptions

In addition to allowing denser development through increases to FAR limits, the bill would also allow denser development through exemptions to the FAR limits in multifamily and commercial zones. By exempting floor area from the FAR limit, that amount of space in a structure is not counted toward the maximum size of a building, effectively increasing the maximum FAR limit. Under the proposed bill, exemptions would be provided for:

- Two bedroom or larger units, that are at least 850 square feet in size;
- Space for equitable development uses; and
- Any floor area in a development located within a quarter mile of a frequent transit stop or light rail station.

The bill provides a maximum amount of floor area that can be exempted under these provisions. This maximum ranges from 0.5 FAR in Lowrise 1 zones and commercial zones with 30-foot height limits to 2.0 FAR in commercial zones with 85 foot or higher height limits.

Because Seattle's zoning tends to map higher-density zones in frequent transit areas, and there is already additional development allowed in those areas. The Council may want to remove that exemption to focus the incentive on larger units and space for equitable development uses.

Density Limits

The Land Use Code limits the number of units permitted in NR and multifamily zones through density limits. In NR zones, generally only one principal unit is allowed on a lot, along with up to two accessory dwelling units. For the NR3 zone that equates to one principal unit on each 5,000 square foot lot. The NR1 zone allows one principal unit per 9,600 square feet. The proposed pilot would allow development with no more than 1 unit per 1,500 square feet in the NR zones, or three units in an NR3 zone and six units in an NR1 zone.

Use flexibility

The bill would also allow a range of housing types and equitable development uses that are currently not allowed in NR zones in the NR zones. These uses include apartments, cottage housing development, rowhouse development, townhouse development, and equitable development. Without allowing these uses, opportunities to achieve the densities allowed under the pilot would be limited. By July 2025, the City will need to amend its NR regulations to allow these uses citywide in response to Washington State's [House Bill 1110](#).

Summary

The proposed bill would allow significantly larger projects than their surrounding context. Heights, bulk, and lot coverage will all mark these projects as distinct from their neighbors. Councilmembers can adjust any of the limits down if they remain higher than the current

requirements.⁸ While an economic analysis of the incentives was not part of program development due to the wide of range of locations and potential development types that could be developed under the pilot, reducing allowable development capacity may provide less incentive to create these types of innovative projects.

3. Geography

Zones

The proposed bill would allow pilot projects in most of the City's zones that allow residential development. It would exclude Downtown Seattle and Highrise zones, and the City's industrial zones from the program. The effect in each zone will be different, as described in Section 2 (Zoning Flexibility). If Councilmembers are concerned about the impact of specific development standards in an area, they could amend those development standards. If a Councilmember is concerned about the totality of the changes allowed in a zone in those areas, they could also remove a specific zone or category of zones from the incentive program.

This pilot program is intended to model equitable development and partnership types that mitigate current direct and indirect residential and non-residential displacement pressure and address land use patterns caused by redlining and the use of racially restrictive covenants. Removing a specific zone or category of zones may dilute that goal. For example, NR zones represent parts of the city where most historic racially restrictive covenants were in place that resulted in greater segregation; removing that zone from the pilot would make it difficult to address the impact of the pilot on areas that historically excluded non-white residents.

Areas where additional development capacity under the program would be available.

The program is intended to support development that could reduce the risk of displacement and increase opportunities for integration within two categories of neighborhoods by increasing the FAR limits and other zoning standards in those areas:

1. Areas with racially restrictive covenants; and
2. Areas eligible for community preference policies.

[Racially restrictive covenants](#) were restrictions placed on property that prohibited members of specific racial, religious, or ethnic groups or people descended from specified nations from living on those properties. They were determined to be unconstitutional in 1948 and are no longer enforceable. However, they remain attached to property records. Areas with racially restrictive covenants are often still segregated, with a predominantly white population. The State does provide a process to remove racially restrictive covenants, but property owners are required to proactively take steps to remove a covenant that applies to property they own.

⁸ Generally, increasing the zoning flexibility beyond that provided in the bill would require additional environmental review.

Consequently, in some cases a property that had a racially restrictive covenant no longer has a covenant on its title.

The Seattle Office of Housing (OH) has identified areas eligible for [community preference policies](#). These areas have a high risk of displacement or a history of displacement of vulnerable populations. The policies intend to “affirmatively further fair housing, address displacement, and foster and sustain inclusive communities.” Under these policies, low-income housing providers affirmatively market their housing to communities in the area at risk of displacement or others with historic or current connections to the neighborhood.

The bill directs the Seattle Department of Construction and Inspections (SDCI), OH, and OPCD to promulgate rules in consultation with the Equitable Development Initiative Advisory Board to define “a process and criteria for verifying that an organization is a qualifying community development organization with a legally established and on-going property-related interest in a site that would make it eligible to apply for development under the pilot program.” Neither areas with racially restrictive covenants nor areas eligible for community preference policies are defined in the proposed bill or the existing Code. The question of how the City defines areas with historic racially restrictive covenants and areas eligible for community preference policies could be more explicitly added to the list of rulemaking. Councilmembers may want to add definitions or ask for rules to clarify how these areas will be identified.

4. Exemptions from zoning regulations

In addition to providing flexibility or increased development capacity, the bill exempts projects participating in the pilot from: the Design Review program (SMC Chapter [23.41](#)), any parking requirements (SMC Chapter [23.54.015](#)), incentive zoning provisions (SMC Chapter [23.58A](#)), and the Mandatory Housing Affordability (MHA) program (SMC Chapters [23.58B](#) and [23.58C](#)).

Design Review

The bill would exempt pilot projects from participating in the [design review](#) program. The purpose of Design Review is to:

- Encourage better design and site planning to help ensure that new development enhances the character of the city and sensitively fits into neighborhoods, while allowing for diversity and creativity; and
- Provide flexibility in the application of development standards to better meet the intent of the Land Use Code as established by City policy, to meet neighborhood objectives, and to provide for effective mitigation of a proposed project's impact and influence on a neighborhood; and
- Promote and support communication and mutual understanding among applicants, neighborhoods, and the City early and throughout the development review process.

The design review program starts with [early community outreach](#). After a development has received community input, the formal review process begins. Depending on the type of project this could include administrative review, early review and guidance by an appointed design review board, or early and final review by the design review boards. Projects are reviewed for consistency with Council-adopted design guidelines. The design review process can add time to review, but also provides early and ongoing opportunities for public comment and input into design of buildings in their community.

Because the scale of development under the pilot will be significantly larger than surrounding development, Councilmembers may want to consider if there are ways to include some community input into the project, without unduly delaying development. For example, a project could be required to participate in the early community outreach process as part of the application process but could forego the remaining steps in the process.

Parking Requirements

The bill would exempt pilot projects from both vehicle and bicycle parking requirements. Vehicle and bicycle parking requirements are set based on the particular use that will be part of a project. The City currently exempts development in urban centers, near light rail stations and frequent transit service areas from vehicle parking requirements. Bicycle parking is required throughout the city. The City has found that even though vehicular parking is exempt in many areas, developers frequently choose to provide parking based on anticipated demand from building occupants. Because areas with excellent access to transit are already exempt from parking requirements, this amendment would exempt projects in areas without frequent transit service from parking requirements.

Incentive Zoning

The incentive zoning provisions in Chapter 23.58A apply to a number of the SM zones, but not to the other zones where the pilot would be allowed. Chapter 23.58A provides the provisions related to the zoning bonus and transfer of development rights programs that apply in the SM zones in South Lake Union, Uptown, and the University District. Generally, in these areas there is a base amount of FAR that is allowed as-of-right, and additional floor area that can be achieved through the incentive zoning provisions of Chapter 23.58A.

In those areas, the local community helped to shape the SM zone provisions. These zones allow additional development if it meets neighborhood goals for development of affordable housing, preservation of historic landmarks, creation of space for childcare and schools, and public open space. In addition to provisions under each zone, Chapter 23.58A provides the framework and requirements for each of these incentive programs. The pilot would replace those existing programs with the pilot's requirements, which do not explicitly align with these neighborhoods' stated goals.

The Council could consider retaining the applicability of Chapter 23.58A to see how and whether projects in the SM zones, which already allow significant development capacity, can participate in the benefits of the pilot as well as the existing incentive programs. An alternative approach would be to increase the base FAR (rather than the maximum) in SM zones, reducing obligations under the incentive zoning program, but retaining incentive zoning requirements in zones like the SM-U 95-320 zone, which has a significant difference between the base (4.75 FAR) and the maximum (12 FAR) FAR limits.

Mandatory Housing Affordability

The [MHA](#) program generally requires developer contributions for affordable housing as part of most commercial, residential, or live-work projects. The contribution can either be fulfilled by providing affordable units on-site or through payments in lieu of providing on-site housing. Generally, the program requires, for the on-site option, that a percentage of units be income and rent restricted to be affordable for households earning less than 40 percent of the AMI for small rental units, 60 percent AMI for larger rental units, or less than 80 percent AMI for ownership units. For the payments in-lieu option, the program requires payment of funds comparable to the cost of providing those units on site. MHA does not apply to low-income housing – housing that meets these income levels. On the low end, MHA requires that a project include 5 percent of units at these income levels. On the high end, in high-cost areas which were upzoned as part of implementing the MHA program, it requires 11 percent of units to be affordable at these income levels.

Like the Affordable Housing on Religious Property program, which requires an entire project to be affordable at 80 percent AMI, the proposed pilot waives MHA requirements. The difference between the two programs is that the pilot would only require 30 percent of units to be affordable and allows ownership units to be affordable at 80 percent of median income for rental units or 100 percent of median income for ownership units.⁹ The Council may want to consider if the lower affordability requirements of the pilot program, combined with the inclusion of equitable development uses, is equivalent to what is required for other types of development where MHA is waived.

5. Program administrability.

The proposed pilot relies on City departments – SDCI, OH, and OPCD – to create a “process and criteria for verifying that an organization is a qualifying community development organization with a legally established an on-going property-related interest in a site that would make it eligible for development under the pilot program” (Section 3). The pilot will also require those departments to develop a process and criteria for verifying owners’ units, and a definition of “equitable development use.” The bill has a delayed effective date of June 30, 2024, to make

⁹ Social housing would qualify if 30 percent of units are affordable at 80 percent of median income, and all units are affordable below 120 percent of median income.

sure that that work can occur prior to the bill going into effect. The Council may want to extend that date to ensure the City departments have sufficient time to promulgate those rules.

Next Steps

Councilmembers are requested to contact us by Friday, March 8, to discuss any amendments that they are considering. The bill and amendments to the bill may be considered as early as the March 20 Committee meeting.

Attachments

1. Connected Communities Bill as of March 6, 2024

cc: Ben Noble, Director
Aly Pennucci, Deputy Director

1 **CITY OF SEATTLE**

2 **ORDINANCE _____**

3 **COUNCIL BILL _____**

4 ..title

5 AN ORDINANCE relating to land use and zoning; establishing the Connected Community
6 Development Partnership Bonus Pilot Program; and adding new Sections 23.40.090
7 through 23.40.097 to the Seattle Municipal Code.

8 ..body

9 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

10 Section 1. The City Council finds and declares:

11 A. In April 2021 the City published *Market Rate Housing Needs and Supply Analysis*,
12 which identified that:

13 1. Approximately 46,000 Seattle households are cost burdened, meaning that
14 those households spend more than half of their incomes on rent;

15 2. Housing supply is not keeping pace with demand;

16 3. Housing costs are increasing more quickly than income;

17 4. Seattle has insufficient zoned capacity for “missing middle” ownership
18 housing;

19 5. The rental housing market has a shortage of housing affordable and available to
20 lower income households;

21 6. Approximately 34,000 lower-wage workers commute more than 25 miles to
22 Seattle demonstrating a latent demand for affordable workforce housing; and

23 7. As Seattle’s share of higher income households grows, development of housing
24 for those households increases economic and physical displacement of lower income residents.

25 B. With the passage of Chapter 332, Laws of 2023, Seattle must modify current land use
26 regulations to accommodate a range of middle housing types. The City is currently in the process

1 of environmental review for the next major update to the Comprehensive Plan, which must meet
2 the requirements of Chapter 332, Laws of 2023. To inform future implementation of the
3 Comprehensive Plan update, the City has an interest in exploring development pilots to
4 demonstrate development types and partnerships that leverage community assets to provide
5 equitable development that will not contribute to economic and physical displacement of current
6 residents.

7 C. Implementing this pilot program is implementing an affordable housing incentive
8 program under RCW 36.70A.540. The pilot program applies in most zones where residential
9 development is allowed except some highrise zones, historic districts, and industrial areas that
10 allow residential uses. Additional development capacity is available for development utilizing
11 the pilot program in areas with historical racially restrictive covenants or census tracts identified
12 by the Office of Housing for the community preference policy. Increased residential
13 development in the area where the pilot program applies, in addition to supporting housing
14 affordability, will increase housing choices and support development of housing and amenities,
15 consistent with the Comprehensive Plan. The pilot program substantially increases residential
16 development capacity for qualifying development in the areas where it applies. And, the
17 increased residential development capacity provided in the areas where the pilot program applies
18 can be achieved, subject to consideration of other regulatory controls on development.

19 D. After a public hearing, the Council has determined that the 80 percent of Area Median
20 Income (AMI) income level for rental housing and 100 percent of AMI income level for owned
21 housing set forth in this ordinance will allow for cross-subsidy for units with deeper affordability
22 and is needed to address local housing market conditions consistent with RCW
23 36.70A.540(2)(b)(iii).

1 Section 2. New Sections 23.40.090 through 23.40.097 are added to the Seattle Municipal
2 Code as follows:

3 **23.40.090 Connected Community Development Partnership Bonus Pilot Program –**

4 **Purpose**

5 Sections 23.40.091 through 23.40.097 establish the requirements for the Connected Community
6 Development Partnership Bonus Pilot Program. The purpose of the program is to demonstrate
7 the social benefits of equitable development including community-serving uses and housing
8 available to a spectrum of household incomes by setting onsite affordability standards and
9 incentives for development of housing and equitable development uses through partnerships
10 between public, private, and community-based organizations.

11 **23.40.091 Definitions for Sections 23.40.090 through 23.40.097**

12 For the purposes of Sections 23.40.090 through 23.40.097:

13 “Equitable development use” means activities, as determined by rule, where all
14 components and subcomponents of the use provide mitigation against displacement pressure for
15 individuals, households, businesses, or institutions, that comprise a cultural population at risk of
16 displacement. An equitable development use may include, but is not limited to, activities such as
17 gathering space, arts and cultural space, educational programming or classes, direct services, job
18 training, or space for other social or civic purposes. Equitable development uses may also
19 include commercial uses including but not limited to commercial kitchens and food processing,
20 craft work and maker spaces, cafes, galleries, co-working spaces, health clinics, office spaces,
21 and retail sales of food and goods.

22 “Owner unit incentive development” means a qualifying development using bonus floor
23 area where, as determined by rule, on the date of complete building permit application submittal

1 by a qualifying community development organization: (i) some or all of the development site is
2 owned by a person or family with an annual income not to exceed 120 percent of area median
3 income and who have continually resided in a dwelling unit on the property for the past ten
4 years; and (ii) an executed partnership agreement or other binding contractual agreement with a
5 qualifying community development organization exists affirming the applicant’s obligation to
6 provide a dwelling unit on-site for the current owner at no cost and prohibiting resale or sublet
7 by the owner for at least ten years, except in the event of the owner’s death.

8 “Qualifying community development organization” means a non-profit organization
9 registered with the Washington Secretary of State or a public development authority created
10 pursuant to RCW 35.21.730, that has as its purpose the creation or preservation of affordable
11 state or federally subsidized housing, social housing, or affordable commercial space, affordable
12 arts space, community gathering spaces, or equitable development uses. A qualifying community
13 development organization can consist of a partnership among one or more qualifying community
14 development organizations, or one or more qualifying community development organizations
15 and a partnering for-profit development entity.

16 “Qualifying development” means a development located on site in which a qualifying
17 community development organization has a legally established and ongoing property-related
18 interest on the date of complete building permit application submittal. To have a legally
19 established and ongoing property-related interest, a qualifying community development
20 organization shall: own at least 51 percent of the property; own at least ten percent when a
21 partner in an entity provides site control for development; have a controlling and active
22 management role in a corporation or partnership that owns a property, such as a sole managing

1 member of a limited liability company or sole general partner of a limited partnership; or some
2 other beneficial interest, as determined by rule.

3 “Social housing” means a residential or mixed-use structure with at least 30 percent of
4 the dwelling units affordable to households with incomes no higher than 80 percent of area
5 median income that is developed, publicly owned, and maintained in perpetuity by a public
6 development authority, the charter for which specifies that its purpose is development of social
7 housing and at a range of affordability levels within the Seattle corporate limits. Social housing
8 is intended to promote social cohesion, sustainability, and social equity through an intentional
9 distribution of units to households with a broad mix of sizes and incomes ranging between zero
10 percent and 120 percent of median income.

11 **23.40.092 Enrollment period, eligibility requirements, and owner unit incentive**
12 **development application requirements**

13 A. The enrollment period for the Connected Community Development Partnership Bonus
14 Pilot Program expires on the earlier of: when applications meeting the requirements of Sections
15 23.40.090 through 23.40.092 have been submitted for 35 projects; or December 31, 2029.

16 B. To qualify for the Connected Community Development Partnership Bonus Pilot
17 Program, development must meet the following eligibility requirements:

- 18 1. Be a qualifying development;
- 19 2. Be located in a Neighborhood Residential; Multifamily, except Highrise;
20 Commercial; or Seattle Mixed zone;
- 21 3. In commercial zones, have at least 75 percent of gross floor area in residential
22 or equitable development use;

1 4. Not be located in a designated historic district, unless it is an area with historic
2 exclusionary racial covenants; and

3 5. Have at least 30 percent of dwelling units and 33 percent of congregate
4 residence sleeping rooms, as applicable, as moderate-income units, except that the duration of
5 the recorded restrictive housing covenants shall be 75 years; or be social housing.

6 C. Applicants with owner unit incentive development shall provide the following
7 documentation when submitting a permit application:

8 1. An affidavit or other information in a form acceptable to the Director
9 confirming that the property is owned by a person or family with an annual income not to exceed
10 120 percent of area median income and who have continually resided in a dwelling unit on the
11 property for the past ten years; and

12 2. An executed partnership agreement or other binding contractual agreement
13 affirming the applicant’s obligation to provide a dwelling unit on-site for the current owner at no
14 cost and prohibiting resale or sublet by the owner for at least ten years.

15 **23.40.093 Alternative development standards and exemptions**

16 A. In lieu of otherwise applicable development standards contained in Chapters 23.44,
17 23.45, 23.47A, and 23.48, a proposed development project that meets the requirements of
18 Section 23.40.092 may elect to meet the alternative development standards, as applicable, of
19 Sections 23.40.094 through 23.40.097. A determination by the Director that development meets
20 the alternative development standards of Section 23.40.094 through 23.40.097 is a Type I
21 decision.

22 B. Exemptions. Eligible projects are exempt from the requirements of Chapter 23.41,
23 Section 23.54.015, Chapter 23.58A, Chapter 23.58B, and Chapter 23.58C.

1 **23.40.094 Development otherwise subject to the requirements of Chapter 23.44**

2 A. Development permitted pursuant to Section 23.40.092 may meet the following
3 development standards:

4 1. Except for apartments, the density limit is one dwelling unit per 1,500 square
5 feet of lot area in NR1, NR2, and NR3 zones and one dwelling unit per 1,200 square feet of lot
6 area in RSL zones.

7 2. The maximum lot coverage is 50 percent of lot area in NR1, NR2, and NR3
8 zones and 65 percent in RSL zones.

9 3. The maximum FAR limit is 1.0 in NR1, NR2, and NR3 zones and 1.25 in RSL
10 zones. The applicable FAR limit applies to the total chargeable floor area of all structures on the
11 lot.

12 B. Owner unit incentive development permitted pursuant to Section 23.40.092 may meet
13 the following development standards:

14 1. The maximum lot coverage is 60 percent of lot area in NR1, NR2, and NR3
15 zones and 75 percent in RSL zones.

16 2. The maximum FAR limit is 1.25 in NR1, NR2, and NR3 zones and 1.5 in RSL
17 zones. The applicable FAR limit applies to the total chargeable floor area of all structures on the
18 lot.

19 C. Permitted uses. In addition to the uses listed in Section 23.44.006, the following uses
20 are permitted outright on lots meeting the requirements of Section 23.40.092: apartments, cottage
21 housing development, rowhouse development, townhouse development, and equitable
22 development.

D. Yard requirements. No structure shall be closer than 5 feet from any lot line, except that in RSL zones if the rear yard abuts an alley there is no rear yard requirement.

23.40.095 Development otherwise subject to the requirements of Chapter 23.45

A. Floor area

1. Development permitted pursuant to Section 23.40.092 is subject to the FAR limits as shown in Table A for 23.40.095.

| Table A for 23.40.095 FAR limits for development permitted pursuant to Section 23.40.092 | | | | |
|---|------------------|---|--|--|
| | FAR limit | FAR limit in areas with racially restrictive covenants or areas eligible for community preference policy | Maximum additional exempt FAR¹ | Maximum additional FAR for owner unit incentive development |
| LR1 | 1.6 | 1.7 | 0.5 | 0.3 |
| LR2 | 1.8 | 1.9 | 1.0 | 0.5 |
| LR3 outside urban centers and urban villages | 2.5 | 2.7 | 1.0 | 0.5 |
| LR3 inside urban centers and urban villages | 3.0 | 3.3 | 1.0 | 0.5 |
| MR | 5.6 | 5.8 | 1.0 | 0.5 |

Footnote to Table A for 23.40.095
¹ Gross floor area for uses listed in subsection 23.40.095.A.2 are exempt from FAR calculations up to this amount.

2. In addition to the FAR exemptions in subsection 23.45.510.D, an additional FAR exemption up to the total amount specified in Table A for 23.40.095 is allowed for any combination of the following floor area:

1 a. Floor area in units with two or more bedrooms and a minimum net unit
2 area of 850 square feet;

3 b. Floor area in equitable development use; and

4 c. Any floor area in a development located within 1/4 mile (1,320 feet) of
5 a transit stop or station served by a frequent transit route as determined pursuant to subsection
6 23.54.015.B.4.

7 3. Split-zoned lots

8 a. On lots located in two or more zones, the FAR limit for the entire lot
9 shall be the highest FAR limit of all zones in which the lot is located, provided that:

10 1) At least 65 percent of the total lot area is in the zone with the
11 highest FAR limit;

12 2) No portion of the lot is located in an NR1, NR2, or NR3 zone;
13 and

14 3) A minimum setback of 10 feet applies for any lot line that abuts
15 a lot in an NR1, NR2, or NR3 zone.

16 b. For the purposes of this subsection 23.40.095.A.3, the calculation of the
17 percentage of a lot or lots located in two or more zones may include lots that abut and are in the
18 same ownership at the time of the permit application.

19 B. Maximum height

20 1. Development permitted pursuant to Section 23.40.092 is subject to the height
21 limits as shown in Table B for 23.40.095.

| Table B for 23.40.095 Structure height for development permitted pursuant to Section 23.40.092 | |
|---|-------------------------------|
| Zone | Height limit (in feet) |
| LR1 | 40 |
| LR2 | 50 |
| LR3 outside urban centers and urban villages | 55 |
| LR3 inside urban centers and urban villages | 65 |
| MR | 95 |

1 2. Split-zoned lots

2 a. On lots located in two or more zones, the height limit for the entire lot
3 shall be the highest height limit of all zones in which the lot is located, provided that:

- 4 1) At least 65 percent of the total lot area is in the zone with the
5 highest height limit;
6 2) No portion of the lot is located in an NR1, NR2, or NR3; and
7 3) A minimum setback of 10 feet applies for any lot line that abuts
8 a lot in an NR1, NR2, or NR3 zone.

9 b. For the purposes of this subsection 23.40.095.B, the calculation of the
10 percentage of a lot or lots located in two or more zones may include lots that abut and are in the
11 same ownership at the time of the permit application.

12 C. Maximum density. Development permitted pursuant to Section 23.40.092 is not
13 subject to the density limits and family-size unit requirements of Section 23.45.512.

14 **23.40.096 Development otherwise subject to the requirements of Chapter 23.47A**

15 A. Maximum height

1 1. The applicable height limit for development permitted pursuant to Section
2 23.40.092 in NC zones and C zones as designated on the Official Land Use Map, Chapter 23.32
3 is increased as shown in Table A for 23.40.096.

| Mapped height limit (in feet) | Height limit (in feet) |
|--------------------------------------|-------------------------------|
| 30 | 55 |
| 40 | 75 |
| 55 | 85 |
| 65 | 95 |
| 75 | 95 |
| 85 | 145 |
| 95 | 145 |

4 2. Split-zoned lots
5 a. On lots located in two or more zones, the height limit for the entire lot
6 shall be the highest height limit of all zones in which the lot is located, provided that:

7 1) At least 65 percent of the total lot area is in the zone with the
8 highest height limit;

9 2) No portion of the lot is located in an NR1, NR2, or NR3 zone;
10 and

11 3) A minimum setback of 10 feet applies for any lot line that abuts
12 a lot in an NR1, NR2, or NR3 zone.

13 b. For the purposes of this subsection 23.40.096.A.2, the calculation of the
14 percentage of a lot or lots located in two or more zones may include lots that abut and are in the
15 same ownership at the time of the permit application.

16 B. Floor area

1 1. Development permitted pursuant to Section 23.40.092 is subject to the FAR
 2 limits as shown in Table B for 23.40.096.

| Table B for 23.40.096 | | | | |
|---|------------------|---|--|--|
| FAR limits for development permitted pursuant to Section 23.40.092 | | | | |
| Mapped height limit (in feet) | FAR limit | FAR limit in Areas with Racially Restrictive Covenants or Areas Eligible for Community Preference Policy | Maximum additional exempt FAR¹ | Maximum additional FAR for owner unit incentive development |
| 30 | 3.00 | 3.25 | 0.5 | 0.5 |
| 40 | 3.75 | 4.00 | 1.0 | 0.5 |
| 55 | 4.75 | 5.00 | 1.0 | 0.5 |
| 65 | 4.50 | 5.75 | 1.0 | 0.5 |
| 75 | 5.50 | 6.00 | 1.0 | 0.5 |
| 85 | 7.25 | 7.50 | 2.0 | 0.5 |
| 95 | 7.50 | 7.75 | 2.0 | 0.5 |

Footnote to Table B for 23.40.096
¹ Gross floor area for uses listed in subsection 23.40.096.B.2 are exempt from FAR calculations up to this amount.

3 2. In addition to the FAR exemptions in subsection 23.47A.013.B, an additional
 4 FAR exemption up to the total amount specified in Table B for 23.40.096 is allowed for any
 5 combination of the following floor area:

- 6 a. Floor area in units with two or more bedrooms and a minimum net unit
 7 area of 850 square feet;
- 8 b. Floor area in equitable development use; and
- 9 c. Any floor area in a development located within 1/4 mile (1,320 feet) of
 10 a transit stop or station served by a frequent transit route as determined pursuant to subsection
 11 23.54.015.B.4.

12 3. Split-zoned lots

1 a. On lots located in two or more zones, the FAR limit for the entire lot
2 shall be the highest FAR limit of all zones in which the lot is located, provided that:

3 1) At least 65 percent of the total lot area is in the zone with the
4 highest FAR limit;

5 2) No portion of the lot is located in an NR1, NR2, or NR3 zone;
6 and

7 3) A minimum setback of 10 feet applies for any lot line that abuts
8 a lot in an NR1, NR2, or NR3 zone.

9 b. For the purposes of this subsection 23.40.096.B.3, the calculation of the
10 percentage of a lot or lots located in two or more zones may include lots that abut and are in the
11 same ownership at the time of the permit application.

12 C. Upper-level setback. An upper-level setback of 8 feet from the lot line is required for
13 any street-facing facade for portions of a structure exceeding the mapped height limit designated
14 on the Official Land Use Map, Chapter 23.32.

15 **23.40.097 Development otherwise subject to the requirements of Chapter 23.48**

16 A. Maximum height. The applicable maximum height limit for residential uses in
17 development permitted pursuant to Section 23.40.092 in Seattle Mixed zones is increased by the
18 following amounts:

19 1. For zones with a mapped maximum height limit of 85 feet or less, 20 feet.

20 2. For zones with a mapped maximum height limit greater than 85 feet, 40 feet.

21 3. Split-zoned lots

22 a. On lots located in two or more zones, the height limit for the entire lot
23 shall be the highest height limit of all zones in which the lot is located, provided that:

1 B. A process and criteria for verifying that an application utilizing the owner unit
2 incentive includes an owner and agreement meeting the requirements of this ordinance.

3 C. A regulatory definition of “equitable development use” and a process and criteria for
4 ensuring that an equitable development use will continue to occupy leasable space for the life of
5 a development.

6 Section 4. By June 30, 2030, the Council, in consultation with the Planning Commission,
7 will evaluate the pilot to assess its effectiveness in achieving the following objectives:

8 A. Providing affordable workforce housing for communities and households that are cost-
9 burdened;

10 B. Providing neighborhood-serving equitable development uses;

11 C. Forestalling or preventing economic and physical displacement of current residents;

12 and

13 D. Demonstrating a variety of missing middle housing types that are affordable to
14 households with a range of household incomes.

1 Section 5. Section 2 of this ordinance shall take effect on June 30, 2024.

2 Section 6. This ordinance shall take effect as provided by Seattle Municipal Code
3 Sections 1.04.020 and 1.04.070.

4 Passed by the City Council the _____ day of _____, 2024,
5 and signed by me in open session in authentication of its passage this ____ day of
6 _____, 2024.

7 _____

8 President _____ of the City Council

9 Approved / returned unsigned / vetoed this ____ day of _____, 2024.

10 _____

11 Bruce A. Harrell, Mayor

12 Filed by me this _____ day of _____, 2024.

13 _____

14 Scheereen Dedman, City Clerk

15 (Seal)

16 Attachments: