



Legislation Text

File #: CB 120157, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to affordable housing on properties owned or controlled by religious organizations; modifying affordability requirements adopted in Ordinance 126384; and amending Section 23.42.055 of the Seattle Municipal Code and Section 10 of Ordinance 126384.

WHEREAS, in June 2021 the City Council adopted Ordinance 126384, establishing alternative standards for the development of long-term affordable housing on property owned or controlled by a religious organization; and

WHEREAS, this legislation implemented Chapter 218, Laws of 2019 (SHB 1377), adopted in 2019 by the Washington State Legislature and codified in RCW 36.70A.545, requiring jurisdictions to allow additional density for affordable housing on religious organization property; and

WHEREAS, SHB 1377 requires that all housing developed using additional density provided under RCW 36.70A.545 must be affordable to low-income households, defined as households with incomes up to 80 percent of area median income (AMI), for 50 years; and

WHEREAS, the City, through the Office of Housing funding awards, has supported the development of hundreds of affordable rental apartments on land availed by faith-based organizations; and

WHEREAS, the Seattle Housing Levy Administrative and Financial Plan and Housing Funding Policies, adopted by City Council, require rental housing developments funded by the Office of Housing to serve households with a range of incomes, generally up to 60 percent of AMI and with a focus on households with incomes at or below 30 percent of AMI; and

WHEREAS, the Office of Housing annually receives requests for funding that exceed available resources by

tens of millions of dollars; and

WHEREAS, affordable housing developed to serve low-income households without the need for public subsidy would provide public benefit and allow limited public resources to support other affordable housing developments; and

WHEREAS, Ordinance 126384, as amended, would lower the household income eligibility for projects using the development bonus to an average of 60 percent of AMI as of July 1, 2022; and

WHEREAS, several faith institutions expressed concern that an average income eligibility level lower than 80 percent of AMI could jeopardize their ability to pursue affordable housing developments without public subsidy and limit the ability of members of their community to be eligible for the affordable housing;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 23.42.055 of the Seattle Municipal Code, enacted by Ordinance 126384, is amended as follows:

23.42.055 Low-income housing on property owned or controlled by a religious organization

* * *

C. Affordability requirements

1. Eligible households. All dwelling units or congregate residence sleeping rooms permitted pursuant to this Section 23.42.055 shall serve only:

a. For rental units, households with incomes no greater than 80 percent of median income, adjusted by household size.

~~((1) In development with a complete Master Use Permit application, if required, or complete building permit application filed by July 1, 2022, households with incomes no greater than 80 percent of median income, adjusted by household size, or~~

~~2) In development with a complete Master Use Permit application, if required, or~~

~~complete building permit application filed after July 1, 2022, households with incomes no greater than 80 percent of median income, adjusted by household size, and average household income across all units in the project no greater than 60 percent of median income.))~~

b. For ownership units, households with incomes no greater than 80 percent of median income, adjusted by household size.

2. Duration. The obligation to provide dwelling units meeting the requirements of subsection 23.42.055.B shall last for a period of 50 years from the date of the certificate of occupancy or, if a certificate of occupancy is not required, from the date of the final building permit inspection for the development to which this Section 23.42.055 applies.

3. Affordable rent. Monthly rent shall not exceed 30 percent of 80 percent of median income. For purposes of this subsection 23.44.055.C.3, "monthly rent" includes a utility allowance for heat, gas, electricity, water, sewer, and refuse collection, to the extent such items are not paid for tenants by the owner, and any recurring fees that are required as a condition of tenancy.

4. Affordable sale price

a. Affordable price - initial sales. The initial affordable sale price must be an amount in which total ongoing housing costs do not exceed 30 percent of 80 percent of median income. The Director of Housing will establish by rule the method for calculating the initial sale price including standard assumptions for determining upfront housing costs, including the down payment, and ongoing housing costs, which must include mortgage principal and interest payments, homeowner's insurance payments, homeowner or condominium association dues and assessments, and real estate taxes and other charges included in county tax billings. The Director of Housing may establish by rule a maximum down payment amount.

b. Affordable price - resales. Eligible households for purchase of an ownership unit subsequent to the initial sale must have incomes no greater than 80 percent of median income at initial occupancy. The Office of Housing will establish by rule the formula for calculating maximum affordable prices

for sales subsequent to the initial sale to allow modest growth in homeowner equity while maintaining long-term affordability for future buyers.

* * *

Section 2. Section 10 of Ordinance 126384 is amended as follows:

Section 10. The Council requests that the Office of Housing, in coordination with the Seattle Department of Construction and Inspections, by March 31, 2022, and then annually for five years thereafter, provide a report to the City Council on all permits issued for developments that used the provisions ~~((provided in subsection))~~ of Section 23.42.055 of the Seattle Municipal Code during the prior 12-month period. The report should include information on the property (such as the size of the lot and the zoning designations), the affordability levels, whether the project received City funding to support the development, and the ownership structures of the property at the time the permit application was filed~~((,))~~ and, if known, the ownership structure after a certificate of occupancy is issued or the project passes final inspection. The report due by March 31, 2027, should also include a comprehensive review of all permits issued for developments that used the provisions of Section 23.42.055 of the Seattle Municipal Code since they took effect. Following the publication of the report due by March 31, 2027, the Council may consider retaining, lowering, or otherwise amending the household income eligibility requirements for rental units as provided in subsection 23.42.055.C.1, provided any amendments comply with the provisions of RCW 36.70A.545.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)