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Title: A RESOLUTION requesting evaluation of residential displacement as it relates to increases in development capacity in certain areas; and declaring the Council’s intent to consider strategies to mitigate any loss of subsidized affordable units and naturally occurring affordable units resulting from an increase in development capacity.

Sponsors: Lisa Herbold

Indexes:

Attachments: 1. Summary and Fiscal Note, 2. Proposed Substitute (added; 2/22/17), 3. Signed Resolution 31733, 4. Affidavit of Publication

Date	Ver.	Action By	Action	Result
3/2/2017	2	City Clerk	attested by City Clerk	
3/2/2017	2	Mayor	Signed	
3/2/2017	2	Mayor	returned	
2/23/2017	2	City Clerk	submitted for Mayor's signature	
2/21/2017	1	City Council	adopted as amended	Pass
2/7/2017	1	City Council	referred	
2/7/2017	1	Planning, Land Use, and Zoning Committee	discussed	
2/2/2017	1	Council President's Office	sent for review	
2/2/2017	1	City Clerk	sent for review	

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION requesting evaluation of residential displacement as it relates to increases in development capacity in certain areas; and declaring the Council’s intent to consider strategies to mitigate any loss of subsidized affordable units and naturally occurring affordable units resulting from an increase in development capacity.

WHEREAS, Race and Social Equity is one of the core value of Seattle 2035, Seattle's Comprehensive Plan for growth over the next 20 years, and the displacement of longtime, lower-income residents undermines the City’s commitment to equity; and

WHEREAS, the City’s vision states, “...[a]s Seattle grows, its housing supply grows and adapts to meet the

needs of all households, regardless of color or income, including families with children, seniors, and people who have disability...Our growing city does not force people from their homes; they are able to stay in their neighborhoods, with their established community resources and cultural institutions;” and

WHEREAS, in Seattle 2035, the City defines displacement as “the involuntary relocation of residents or businesses from their current location. Direct displacement is the result of eviction, acquisition, rehabilitation, or demolition of property, or the expiration of covenants on rent/income-restricted housing. Indirect displacement occurs when residents or businesses can no longer afford escalating rents or property taxes”; and

WHEREAS, the City Council recognizes that displacement has negative impacts on the health and wellbeing of individuals and communities; and

WHEREAS, the City of Seattle has been shaped by its history of racial segregation and the economic displacement of communities of color and rising housing costs affect marginalized populations the most; and

WHEREAS, Seattle’s population of people of color increased from 26 percent in 1990 to 34 percent in 2010... People of color make up 41 percent of the population living in urban centers and urban villages compared to 30 percent of the population residing outside...the Black or African American population in urban centers or villages decreased from 14 percent in 1990 to 11 percent in 2010...conversely, there were increases in shares of Asian, Hispanic or Latino populations in urban centers or villages during this same time period; and

WHEREAS, in May 2016, the City published a Growth and Equity Analysis that compiled data about several economic and demographic factors that help identify places in the city where residents, especially people of color and low-income residents, could be at risk of displacement and where there is less access to employment and other opportunities; and

WHEREAS, Seattle 2035, Growth Strategy Figure 3, identifies, the following Hub Urban Villages with high

risk of displacement: Bitter Lake Village and Mt. Baker (North Rainier); and the following Residential Urban Villages with a high risk of displacement: 23rd and Union-Jackson, Columbia City, North Beacon Hill, Othello, Rainier Beach, South Park, and Westwood-Highland Park; and

WHEREAS, the Growth and Equity Analysis (May 2016) stated that “[if] unmitigated, rapid market-rate redevelopment in high displacement risk areas is likely to exacerbate displacement pressures... In the recommended Growth Strategy, the City anticipates a higher rate of growth in urban villages with good transit service and a relatively lower rate of growth in urban villages with high displacement risk and low access to opportunity...; and

WHEREAS, Seattle 2035, Growth Strategy policy 1.8, states that the City will “[u]se zoning and other planning tools to shape the amount and pace of growth in ways that will limit displacement of marginalized populations, and that will accommodate and preserve community services, and culturally relevant institutions and businesses;” and

WHEREAS, one way the City works to address racial and social equity is by creating and preserving affordable housing, particularly for lower-income households; and as housing development continues, the City is committed to promoting policies that limit displacement, stabilize marginalized populations in their communities, and encourage a net increase in affordable housing over time.; and

WHEREAS, in September 2014 the City Council adopted Resolution 31546, in which the Council and Mayor convened the Housing Affordability and Livability Agenda (HALA) Advisory Committee to evaluate potential housing strategies and the Committee submitted final recommendations to the Mayor and City Council on July 13, 2015; and

WHEREAS, the HALA Advisory Committee recommended extensive citywide zoning changes of residential and commercial zones and, in connection with such zoning changes, implementation of a mandatory inclusionary housing requirement for new residential development and commercial linkage fees for new commercial development; and

WHEREAS, in November 2015, the City Council adopted Resolution 31612, stating the Council's intent to make changes to zoning and land use regulations to implement a mandatory inclusionary affordable housing program for residential development recommended by the HALA Advisory Committee and the Mayor; and

WHEREAS, due to a shortage of affordable housing in the city, lower-income employees associated with new commercial development may be forced to live in less than adequate housing within the city, pay a disproportionate share of their incomes to live in adequate housing in the city, or commute greater distances to their jobs from housing located outside the city when they are unable to locate adequate housing within the city; and

WHEREAS, in August 2015, the Mayor transmitted legislation to provide a framework for Mandatory Housing Affordability for commercial development (MHA-C) and the City Council passed Ordinance 124895 on November 9, 2015; and

WHEREAS, the City Council passed Ordinance 125108 to provide a framework for Mandatory Housing Affordability for residential development (MHA-R) on August 15, 2016; and

WHEREAS, the City Council passed Ordinance 125233 on December 16, 2016, to provide consistency within the MHA-C framework with Ordinance 125108; and

WHEREAS, the MHA-R and MHA-C framework legislation outlines Council's intent to "consider whether to include higher performance and payment amounts, subject to statutory limits, for those areas where the increase in development capacity would be likely to increase displacement risk;" and

WHEREAS, the City is currently preparing an Environmental Impact Statement (EIS) to evaluate the potential environmental impacts of increasing development capacity and implementing Mandatory Housing Affordability (MHA) in some portions of the City; and

WHEREAS, Seattle 2035, Housing Policy 2.5, states the City's intent to "[m]onitor the supply of housing and encourage the replacement of housing that is demolished or converted to nonresidential or higher-cost

residential use;” and

WHEREAS, Seattle 2035, Housing Policy 2.6, states the City’s intent to “[s]eek to identify affordable housing at risk of demolition and work to mitigate the displacement of residents ahead of planned upzones;” and

WHEREAS, Seattle 2035, Housing Policy 2.7, states the City’s intent to “[e]valuate the City’s efforts to mitigate displacement of affordable housing;” and

WHEREAS, Seattle 2035, Land Use Policy 2.7, states the City’s intent to “[r]eview future legislative rezones to determine if they pose a risk of increasing the displacement of residents, especially marginalized populations, and the businesses and institutions that serve them;” and

WHEREAS, Seattle 2035, Land Use Policy 9.23, states the City’s intent to “[u]se zoning and other planning tools in urban centers and urban villages to address displacement of small locally-owned businesses that reinforce local neighborhood and cultural identity and provide culturally relevant goods and services to Seattle’s diverse population;” and WHEREAS, between 2005 and 2015, the City issued demolition permits for 5,916 dwelling units and construction permits for 53,238 new housing units; during this same period Seattle’s population grew by approximately 90,000 people (~15 percent); and

WHEREAS, the Council finds that a detailed residential displacement analysis is needed to evaluate the risk of increased displacement and to identify strategies to mitigate loss of affordable units and naturally occurring affordable units that may be found to result from an increase in development capacity; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR

CONCURRING, THAT:

Section 1. The Council reaffirms its commitment to manage future growth of the City in a manner that continues to encourage racial and social equity and minimizes any potential disproportionate impact of future development on marginalized populations, especially people of color and low income populations, that are demonstrated through the analysis pursuant to Section 2.

Section 2. The Council requests that the Office of Planning and Community Development (OPCD) complete a detailed analysis of the potential for residential displacement, both direct and indirect, that could result from increases in development capacity subsequent to the date established in Section 2. The analysis should evaluate whether proposed capacity increases would: (1) increase or decrease direct displacement due to demolition; and (2) either introduce or accelerate a trend of changing socioeconomic conditions that may potentially displace vulnerable populations. The analysis should include, but not be limited to, the following factors disaggregated by neighborhood or by Urban Center or Village:

A. Population and household characteristics, and changes over time (total number of residents, age, race and ethnicity, disability, total number of households and household size, household income and poverty status, lower-income households as a share of all out- or in-migration).

B. Housing characteristics, and changes over time:

1. Housing stock: current housing mix, age of housing, housing tenure, units per structure, vacancy rates, and a summary of recent demolitions broken down by size and age of building.

2. Housing affordability: cost burden for renter households and owner occupied households; median home value; median monthly rent; vacancy rate compared to rent; average monthly rent by year of structure; average monthly rent by size of structure; average monthly rent by number of bedrooms; and rental household income;

3. Housing Supply: anticipated total new units and new affordable units. In areas where the City's Equity Analysis indicates that there is a high risk of displacement, determine whether relocation opportunities exist (or will exist) within the study area for these displaced households.

C. Redevelopment sites characteristics:

1. Number of redevelopment sites under existing and proposed zoning using OPCD's redevelopable parcel GIS data; identify all sites potentially redevelopable and rank development sites by the likelihood of redevelopment over a 20-year planning horizon.

2. Analyze the number of existing units occupying the identified redevelopment sites, broken down by size and age of building.

3. From the list of all possible redevelopment sites: (a) identify renter versus owner occupied units; (b) estimate the number of residents that could be displaced if the sites redevelop; and (c) estimate the number of low-income tenants that could be displaced if the sites redevelop (using data from the Tenant Relocation Assistance Ordinance).

4. To the extent that reliable data is available, identify any rental units that have or are receiving public subsidies (i.e. properties where public investment was part of the development or other programs that subsidize the cost of housing); and estimate the number of units with low and moderate income people living in housing that have not received public subsidies.

D. Provide an overview of the different kinds of displacement (i.e. direct, economic, cultural), map the displacement risk (from the City's Growth and Equity Analysis) and analyze the relationship between new housing development that could result from increases in development capacity and loss of low-income housing.

E. Summarize the anticipated growth differentiated for each neighborhood or Urban Center or Village by: market strength, residential tenure, displacement risk, and access to opportunity; and qualitatively assess relative displacement impacts of different approaches to MHA implementation based on distribution of growth and new affordable units. Include in this analysis the relative displacement impacts using high, low and likely growth scenarios and analyze any disparate impacts on protected classes under each zoning alternative.

F. Recommendations for mitigation measures to address units at risk of demolition and populations at risk of displacement.

Section 3. The Council requests that OPCD develop and submit a report to Council detailing the residential displacement analysis completed, and any mitigation strategies identified to address residential displacement, pursuant to Section 2, by May 15, 2017.

Section 4. The Council intends to consider a range of strategies to increase affordable units sufficient to

offset the affordable units at risk of demolition due to new development and strategies to address displacement resulting from changing socioeconomic conditions that may potentially displace vulnerable populations.

Adopted by the City Council the _____ day of _____, 2017, and signed by me in open session in authentication of its adoption this _____ day of _____, 2017.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2017.

Edward B. Murray, Mayor

Filed by me this _____ day of _____, 2017.

Monica Martinez Simmons, City Clerk

(Seal)