

February 2, 2024

## MEMORANDUM

**To:** Land Use and Neighborhood Committee  
**From:** Ketil Freeman, Analyst  
**Subject:** Connected Communities Pilot

---

On February 7, 2024, the Land Use Committee (Committee) will have a briefing on a draft proposal by Councilmember Morales for a pilot program (“Connected Communities”) that is intended to encourage partnerships between community-based organizations with limited development experience and more experienced non-profit and for-profit developers for development of low- and moderate-income housing with neighborhood serving equitable development uses. Participating development could take advantage of density bonuses and other regulatory incentives.

This memo describes the draft bill (Attachment A) and sets out the next steps.

### What the Proposal Would Do

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 affordable units
  - Social Housing – defined as “housing in 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;” or

- Thirty percent of units as moderate-income units. A moderate-income unit “means a dwelling unit that, for a minimum period of at least 50 years, is a restricted unit affordable to and reserved solely for families with annual incomes not to exceed 80 percent of median income for rental units or 100 percent of median income for ownership units.” SMC 23.84.A.040.
- 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 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.

Most bonuses and development standard modifications and incentives by zone are detailed in the two tables below:

*Table 1 – Neighborhood Residential Incentives*

NR and RSL Zones	Current Standards				Proposed Standards					
	FAR	Lot coverage	Yards and setbacks	Height (feet)	FAR	Density	Lot coverage	Yards and setbacks	Height (feet)	Incentive for Owner Unit
NR1, NR2, NR3	0.5	35%	20 feet front 25 feet rear 5 feet side	30	1.0	1 unit / 1,500 sq. ft. of lot area	50%	5 from any lot line	30	0.25 FAR 60% lot coverage
Residential Small Lot (RSL)	0.75	50%	10 feet front 10 feet rear 5 feet side	30	1.25	1 unit / 1,200 sq. ft. of lot area	65%	5 from any lot line	30	0.25 FAR 75% lot coverage

Table 2 - Multifamily and Commercial Incentives

Multifamily & Commercial Zones	Current standards		Proposed standards			FAR exemption and owner unit incentive	
	Height (feet)	FAR	Height (feet)	FAR	FAR in Racially Restrictive Covenant and Community Preference Areas	Maximum additional exempt FAR	FAR with owner unit incentive
<b>Multifamily Residential zones</b>							
LR1	30	1.3	40	1.6	1.7	0.5	0.3
LR2	40	1.4-1.6	50	1.8	1.9	1.0	0.5
LR3	40-50	1.8-2.3	65	3	3.3	1.0	0.5
<b>Commercial &amp; Neighborhood Commercial zones</b>							
NC-30 / C-30	30	2.50	55	3.00	3.25	1.0	0.5
NC-40 / C-40	40	3.00	75	3.75	4.00	1.0	0.5
NC-55 / C-55	55	3.75	85	4.75	5.00	1.0	0.5
NC-65 / C-65	65	4.50	95	5.50	5.75	1.0	0.5

**Next Steps**

The proposed legislation will likely be introduced on February 13 or 20. A public hearing on the proposal has been scheduled for the February 21 Land Use Committee meeting. Central Staff will provide an issue identification memo in advance of February 21. A Committee recommendation on the bill could occur on March 6.

**Attachments:**

- A. Draft Bill

cc: Ben Noble, Director  
 Aly Pennucci, Deputy Director  
 Lish Whiton, Supervising Analyst