

## 1. Basis for the Application for Extension and Reasonableness under the Circumstances

The City and Washington State are in a self-proclaimed “unprecedented housing crisis.”<sup>1</sup> Eagle Rock Ventures, a local developer with longstanding community connections, asks the City Council to extend the MUP for a “shovel-ready” project that will provide 104 apartments, 4 townhomes, and 3 live-work units. Twenty percent of the units will be affordable through the City’s MFTE program, and an additional 9% will be affordable housing or a payment made for affordable housing through the City’s Mandatory Housing Affordability (MHA) program. In addition to providing affordable housing, the proposal provides additional public benefits through “family-sized” units, including two three-bedroom units. This housing, once constructed, will be a direct response to the housing crisis and deliver on the City Council’s desire to provide more affordable and market-rate housing.

The Code directs the Council to consider whether the extension is reasonable under the circumstances. In response, it would be **unreasonable** for the Council *not* to grant an extension for a shovel-ready project during an “unprecedented housing crisis.”

In response to why this project has yet to be constructed, we offer the following observations, which can be summarized as “bad timing”.

- **The housing project was one of the last to go through the old “Seattle Process.”** The project’s contract rezone was initiated approximately five years prior to building permit approval, a timeline influenced by fluctuating City policy and review standards. During this five-year window:
  - The project was subject to four public design review board meetings spanning more than two years during which time the size of the building was reduced to secure DRB approval, eliminating approximately 10% of the planned units, making the building less efficient and financially attractive to build. Now, the City has curtailed its design review process and four meetings and a reduction in housing yield would be illegal under state law.
  - The City enacted Mandatory Housing Affordability during project review. As a result, the project became the test case for demonstrating MHA compliance. As a test case, months of delay occurred attempting to meet shifting compliance requirements that, among other items, demanded the applicant provide plan sets dimensioned to a thousandth (!) of a foot (.001’). Now, the City has pivoted on many of these early and impractical MHA compliance requirements.
  - The City used SEPA to demand many detailed and supplemental studies. Now, the City has curtailed the use of SEPA for housing projects, in part, to remove the delay and expense that this project encountered.
- **COVID-19 Destroys Financial Markets.** Compounding the old “Seattle Process” delay, the City approved the MUP and building permit just as the regional economy was impacted by the COVID-19 pandemic. Like many across the city, the project faced financial hardship during this period, including difficulty securing construction financing and sharply rising construction costs and interest rates. These challenges reflect broader market instability that the City has acknowledged through policies allowing permit extensions based on COVID-related hardship.
- **Today’s Challenging Financial Markets.** Although conditions have improved, continued inflation and elevated interest rates remain substantial barriers to financing. Importantly, the project is now shovel-ready. It has received full MUP and building permit approvals, and construction drawings

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<sup>1</sup> Mayoral Proclamation of Civil Emergency, City of Seattle (2015); House Bill 1110, 2023 Legislature (“The Legislature finds that Washington is facing an unprecedented housing crisis for its current population and a lack of housing choices, and is not likely to meet the affordability goals for future populations.”)

are complete. Given these circumstances and the proximity to construction start, this extension request is both reasonable and necessary to build housing.

- **Project Timing:** The owners are exploring creative financing methods to commence construction, including nonprofit financing. In addition, they have submitted this property to Seattle Social Housing as a shovel-ready project that they can purchase and build immediately.

## **2. Changed Circumstances in the Area that Support an Extension**

As described above, the housing crisis is the primary “changed circumstance” in the area (and the state) that supports an extension.

But other changed circumstances in the neighborhood further support an extension. The project was intended to be a 65’ mixed-use “pioneer” structure that would spur growth in Columbia City. Now, the proposal will complement new development that has occurred since the City enacted area-wide MHA rezones in 2019. NC2-55 zoning is adjacent to the site and NC2-75 across the street to the north. The contract rezone to NC3-65, once forward-looking, is now well-supported by the broader zoning context. In addition, a multi-family development of similar scale at 5231 Rainier Avenue South, directly adjacent to the project site, has been completed, helping to establish a mid-rise urban character along this corridor. The subject site, currently a vacant corner lot, represents a key opportunity for infill development to fortify the fabric of a growing Columbia City as an urban hub in South Seattle.

## **3. Additional Time Necessary to Comply with Conditions of Approval Prior to Expiration**

The development team has made sustained efforts to comply with all conditions of the Council's approval and has completed all required entitlements. The project has already received MUP and building permit approval, and all construction documents are finalized. This is a shovel-ready project that could begin construction promptly once financing is secured. The project remains in full compliance with current land use regulations, and in some cases exceeds today's requirements. A full SEPA review was completed, including comprehensive traffic and geotechnical studies, even though some of these reviews are no longer required for projects of this scale. The project also offers a thoughtful unit mix that addresses a gap in local housing supply, where recent development has focused heavily on townhomes or small efficiency dwelling units (SEDUs). This supports both neighborhood needs and City housing goals.

## **Conclusion**

This request is supported by demonstrated progress, a path to construction, and significant public benefits. Changed conditions in the neighborhood validate the approved rezone, and the applicant has acted in good faith to bring the project to construction despite economic obstacles. Extending the Council land use decision will allow this shovel-ready, affordable housing project to move forward and deliver on the City's land use and housing policy goals. We respectfully request your consideration and approval.