

Racial Equity Toolkit – Ground Floor Uses in Affordable Housing

Office of Housing Administrative & Financial (A&F) Plan and Housing Funding Policies

Title of policy, initiative, program, budget issue:		Supporting Community Development Goals with Ground Floor Uses in Affordable Housing	
Description:	Council Resolution 32093 requested that the Office of Housing (OH) “continue to work with community partners and affordable housing developers to explore how housing investments can complement broader community development goals including, but not limited to, affordable commercial space, and for uses necessary to meet residents’ everyday needs such as commercial or non-profit groceries, childcare, health services, fresh, healthy food merchants, home goods, cultural anchors, and other desired community services.		
	OH is requested to work with the Office of Economic Development (OED), the Office of Planning and Community Development (OPCD), and Department of Early Learning and Education (DEEL) to facilitate and coordinate different funding sources and requirements of such mixed-use projects.”		
Department:	Office of Housing	Contact:	Nathan Antonio

<input checked="" type="checkbox"/> Policy	<input type="checkbox"/> Initiative	<input type="checkbox"/> Program	<input type="checkbox"/> Budget Issue
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Step 1. Set Outcomes.

1a. What does your department define as the most important racially equitable community outcomes related to the issue?

Office of Housing (OH), along with Office of Economic Development (OED), and Office of Planning and Community Development (OPCD) identified a shared goal to “leverage city investments in mixed use affordable housing projects to maximize community benefit and create wealth building opportunities for small businesses and communities. Specifically, coordination of investments in affordable commercial, community, and cultural spaces to integrate projects into neighborhoods and further stabilize communities at risk of displacement.” (See OED’s response to Statement of Legislative Intent (SLI) OED-011-A-001, submitted November 28, 2022.)

1b. Which racial equity opportunity area(s) will the issue primarily impact?

<input type="checkbox"/> Education	<input checked="" type="checkbox"/> Community Development
<input type="checkbox"/> Criminal Justice	<input type="checkbox"/> Environment
<input type="checkbox"/> Health	<input checked="" type="checkbox"/> Housing
<input type="checkbox"/> Jobs	

Step 2. Involve stakeholders. Analyze data.

2a. Are there impacts on geographic areas?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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Check all neighborhoods that apply:

<input checked="" type="checkbox"/> All Seattle neighborhoods	<input type="checkbox"/> Ballard	<input type="checkbox"/> Central
<input type="checkbox"/> Delridge	<input type="checkbox"/> East District	<input type="checkbox"/> Greater Duwamish
<input type="checkbox"/> North	<input type="checkbox"/> NE	<input type="checkbox"/> Lake Union
<input type="checkbox"/> Southeast	<input type="checkbox"/> Southwest	<input type="checkbox"/> King County (outside Seattle)
<input type="checkbox"/> Outside King County <u>Please describe:</u>		

2b. What are the racial demographics of those living in the area or impacted by the issue?

While this policy/initiative may apply to any neighborhood where City-funded affordable housing is located, the shared racial equity goals call for a specific focus on communities at risk of displacement. Upon reviewing OPCD's Displacement Risk Index and Racial & Social Equity Index maps, these geographic areas tend to have larger populations of Black, Indigenous, and People of Color (BIPOC) communities.

2c. How have you involved community members and stakeholders?

A great deal of community engagement has occurred over the past several years, conducted by OH, OED, and OPCD. In particular, OPCD has engaged community stakeholders through the Equitable Development Initiative, as well as other opportunities. OH and OED are also participating in the latter stakeholder engagement, and OH will use the feedback gathered at that engagement to inform future coordination with OPCD and OED on support and funding for mixed-use affordable housing buildings that complement broader equitable community development goals.

2d. What does data and your conversations with stakeholders tell you about existing racial inequities that influence people's lives and should be taken into consideration?

- BIPOC-owned businesses, nonprofits and cultural organizations, and other desired culturally-specific community services, face barriers due to the high cost of renting and improving commercial space in the traditional market and in affordable housing buildings.
- Lack of a transparent, predictable pathway/process for coordinating available funding across City agencies. Success has so far been the result of internal staff relationships, community advocacy and deep partnership with community-based organizations, and clear support from department leadership.
- Lack of capacity/skillset/experience by affordable housing providers to manage commercial spaces, including marketing vacant ground floor spaces (in existing buildings). This creates significant barriers for smaller, BIPOC-owned businesses, nonprofits and cultural organizations, and other desired culturally-specific community services, as any kind of technical assistance from the housing providers is likely non-existent.
 - Prospective commercial tenants need an alignment in mission with the housing provider, as well as understanding of potential unexpected impacts from residential portion of the building (e.g., flooding). These unexpected impacts can have an outsize negative impact on smaller BIPOC-owned businesses, nonprofits and cultural organizations, and other desired culturally-specific community services.

2e. What are the root causes or factors creating these racial inequities?

- Overall, the root causes creating the above inequities come down to a lack of access to resources (e.g, funding and technical assistance) and barriers that tend to exclude smaller BIPOC-owned businesses, nonprofits and cultural organizations. The lack of transparency/predictability around inter-departmental coordination on funding and support for mixed-use affordable housing buildings creates one of the biggest barriers.
- Barriers also exist within the financial and real-estate institutions, which exclude and exploit low-income and BIPOC communities' business owners. Addressing these barriers and giving business owners from BIPOC and low-income communities an opportunity to get their foot in the door is complex and requires anti-racist interventions even beyond city support, funding, and technical assistance.

Step 3. Determine benefit or burden.

Given what you have learned from data and from stakeholder involvement...

3. How will the policy, initiative, program, or budget issue increase or decrease racial equity?

OH's proposed updates to its Housing Funding Policies, along with continued staff coordination between OH, OPCD, and OED, can help make more transparent the City's desire to support broader community development goals through City-funded affordable housing projects.

Step 4. Advance opportunity or minimize harm & Step 5. Evaluate. Raise racial awareness. Be accountable.

4. How will you address the impacts (including unintended consequences) on racial equity?

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5a. How will you evaluate and be accountable?

As new affordable housing buildings receive funding, complete construction, and open their ground-floor spaces for leasing, OH will work with departmental partners to assess opportunities for BIPOC-owned businesses, nonprofits and cultural organizations, and other desired culturally-specific community services to be co-located in these buildings. OH and departmental partners will continue to take note of barriers that prevent these opportunities from occurring, or that make this kind of co-location more difficult. In cases where these kinds of uses do NOT end up being placed in ground-floor spaces, or where ground-floor spaces stay vacant, OH and partners will seek to understand and report on the circumstances or barriers that led to these outcomes, with the intent to address these barriers in future affordable housing developments.

5b. What is unresolved?

While OH's proposed updates to its Housing Funding Policies will be OH's most concrete strategy in the short-term, we will continue to work closely with staff from other departments and community stakeholders to learn how OH funding policies and practices can best support broader community development goals around ground-floor uses in affordable housing buildings. We will continue to evaluate the outcomes of recent successful collaborations between OH, OED, and EDI to provide community-desired uses in affordable housing buildings and work with these partner departments to engage community stakeholders and understand the barriers that persist, as well as any unintended consequences. As

we better understand these barriers and potential unintended consequences, OH will review and consider revision of its internal and inter-departmental funding practices to mitigate both barriers and unintended consequences.

Additional questions that may be considered for future community engagement are outlined below.

- For existing business owners:
 - What challenges do you face running your business? Please describe your challenges in detail.
 - Are you aware of any resources available for small businesses? Have you ever used a resource? If yes, how did you learn about the resources available?
 - What type of resources would you like to be available?
- For tenants/community members:
 - What sort of stores do you shop at often? Are these stores available in your neighborhood?
 - Do you belong to any community or interest groups?
 - Are there any stores, shops, or restaurants you wish were closer to where you lived?
- For affordable housing providers:
 - How are commercial tenants recruited or selected?
 - What makes a commercial tenant successful in your buildings?
 - Do you face any challenges managing commercial tenants? What are some of the challenges?
 - What on-site uses do you think would be most beneficial for tenants? For staff?

Step 6. Report back.

Over the coming years, OH will report on the outcomes of the Housing Funding Policies updates discussed here and work with OH Change Team and OH senior leadership to ensure these outcomes align with the department's and City's racial equity goals.