

Advancing Racial Equity as part of the 2024 Update to the Seattle 2035 Comprehensive Plan and Urban Village Strategy

Prepared for the City of Seattle by PolicyLink¹ - April 2021

INTRODUCTION

The Seattle 2035 Comprehensive Plan update represents a transformative opportunity to guide future growth in the city in a way that substantially advances a vision where all Seattleites, regardless of their race/ethnicity, nativity, gender, or zip code, are able to participate and reach their full potential. Revisiting the comprehensive plan is particularly timely as Seattle and the rest of the country look ahead to the recovery from COVID-19. While the City has had a longstanding commitment to racial and social equity since 1994 and has made progress on many of the equitable development goals outlined in Seattle 2035, the pandemic and its impacts highlight persistent racial inequities in health, housing, and economic security. Tensions resulting from these longstanding racialized inequities came to the fore during the summer of 2020 as Black, Indigenous, and other people of color (BIPOC) in Seattle, and cities across the country, organized in protest after the murder of George Floyd. For many of these protesters, misconduct of the police towards residents of color is one facet of the systemic racism that continues to exclude and oppress communities of color. Addressing these inequities is a daunting task that is going to require the collective effort of all Seattleites.

Amidst a historic focus on racial equity in the economic recovery, and anticipating significant new federal funding for infrastructure, the Seattle 2035 update must provide the blueprint to steer investment and development in a way that makes meaningful progress toward racial equity and inclusion. The update also provides an important opportunity to acknowledge and redress past harms, including the negative impacts of prior planning and development decisions.

In advance of the update of the Seattle 2035 Comprehensive Plan, the Seattle Office of Planning and Community Development, in partnership with the Department of Neighborhoods and the Office of Civil Rights, engaged PolicyLink to:

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¹ PolicyLink is a national research and action institute dedicated to advancing racial and economic equity with a focus on delivering results at scale for the 100 million people in the United States living in or near poverty. PolicyLink takes an "inside-outside" approach to policy change, working with grassroots advocates focused on economic and racial justice, as well as with policymaker and government champions, to achieve equitable policies.

- Conduct a racial equity analysis of the comprehensive plan;
- Review a compendium of reports highlighting quantitative data on recent patterns of growth and equitable development outcomes;
- Analyze findings from five focus groups of residents discussing challenges and opportunities facing people of color as a result of the City's urban village growth management strategy;
- Engage with community stakeholders and leadership from multiple City departments in a Workshop on Racial Equity in the Seattle Comprehensive Plan and Urban Village Growth Strategy (held on October 29, 2020);
- Identify promising practices other jurisdictions are implementing to achieve more racially equitable outcomes; and
- Make recommendations to the City as it prepares to launch the plan update in 2021.

The following report includes four sections:

- 1. Equity in Seattle's Comprehensive Planning Efforts grounds the comprehensive plan update in the City's 25+-year history of equitable planning efforts.
- 2. Centering Race and Acknowledging Past Harms elevates the importance of acknowledging commitment to redress past harms and outlines the historical planning and land use decisions that created the current landscape of housing opportunity.
- 3. *Inequitable Outcomes for BIPOC Communities* summarizes key observations and data on racial equity outcomes since the 2016 adoption of Seattle 2035.
- 4. Recommendations for a More Equitable Comprehensive Plan Update presents our recommendations on how the comprehensive plan update can best address inequities and build a more equitable future, including ensuring meaningful community engagement in the update.

I. EQUITY IN SEATTLE'S COMPREHENSIVE PLANNING EFFORTS

The Seattle 2035 update will build upon decades of groundwork. Seattle's first comprehensive plan, released in 1994, launched the urban village strategy. By focusing growth in urban villages and centers, the city seeks to promote walkable access to neighborhood services, more efficiently serve residents with public transit, strengthen local business districts, and support climate resiliency by reducing greenhouse gas emissions. The plan has been effective how and where the city has grown: Since 1995, the share of the city's housing growth going to urban villages has steadily increased, while the share of development outside of centers and villages has declined.¹

Seattle created the Race and Social Justice Initiative within the Office for Civil Rights (OCR) in 2004 with a focus on eliminating institutional racism within city government. The City's Race and Social Justice Initiative (RSJI) envisioned that all policies and practices yield a future where:

- Race does not predict how much a person earns or their chance of being homeless or going to prison;
- Every schoolchild, regardless of language and cultural differences, receives a quality education and feels safe and included; and
- African Americans, Latinos, and Native Americans can expect to live as long as white people.

Seattle 2035 codified the City's commitment to racial and social equity as core values, which are reflected in the plan's policies and growth strategy. To shape development of the plan, the city council passed Resolution 31577 directing City staff to make the racial equity more visible in the plan introduction, core values, goals and policies; and to incorporate a growth strategy equity analysis and equity metrics. The city incorporated a racial equity analysis of the draft Comprehensive Plan and developed a Displacement Risk Tool and Access to Opportunity Tool to better understand the landscape of threats and assets facing low-income and BIPOC residents in different neighborhoods across the city. A framework for implementing the goals of the plan and advancing racial equity and inclusion was formalized with the creation of the Equitable Development Initiative (EDI) in 2016. EDI supports neighborhood leaders and community-based organizations, including grants and other assistance, in advancing equitable access to housing, jobs, education, parks, healthy food, and other amenities and in mitigating displacement.

II. CENTERING RACE AND ACKNOWLEDGING PAST HARMS

For Seattle to achieve the desired impact of advancing racial equity, the City must first address the lingering impacts of past injustices. The urban village strategy has not been able to mitigate the displacement of BIPOC residents because it perpetuates a land use and zoning policy that was specifically designed to limit their housing options. To move beyond tinkering at the margins of equitable neighborhood change, city leaders should embrace a reparative framework that specifically addresses the root causes of housing insecurity for BIPOC Seattleites. This entails an intentional focus on updating the Comprehensive Plan in conjunction with equitable policies that center the voices and agency of the most marginalized.

Many of the economic and housing inequities we see today can be traced to past public sector policies and programs and private sector practices. The Seattle Planning Commission and others have documented the impact that policies such as the G.I. Bill, Federal Housing Administration lending practices, and racially restrictive covenants have had on Seattle's neighborhoods to this day, which are summarized below.

Starting early in the 20th Century, racist developers and city planners in cities across the country began to institute racial zoning ordinances forbidding people of color from living in or buying homes in white neighborhoods. This trend accelerated with the Great Migration of African Americans from the south to industrial cities in the northeast and midwest. Baltimore enacted the first racial zoning ordinance in 1910, and within several years the practice was widespread

in the region. Racial zoning was outlawed in 1917 when the U.S. Supreme Court declared that a Louisville, Kentucky racial zoning ordinance was unconstitutional in *Buchanan vs. Warley*.

Following the ban on racial zoning, developers began using racially restrictive covenants to prohibit homeowners in a designated neighborhood from selling their home to people of color. These neighborhoods became and remained almost exclusively white, shutting people of color out from the economic opportunity to build wealth as property values increased. Restrictive covenants were struck down by the Supreme Court in 1948 in *Shelly vs. Kraemer*, and eventually outlawed by the Fair Housing Act of 1968.

With the passage of the Fair Housing Act of 1968, developers and city leaders found alternative ways to leverage land use regulations to benefit from racial segregation. Local governments expanded the use of exclusionary residential zoning to keep out low-income people of color since single-family zoning mandates a minimum parcel size for single-family homes that are typically unaffordable to low-income people of color. At the same time, communities of color were zoned as commercial, industrial, or mixed-use, fueling the concentration of environmental hazards in these neighborhoods.

This push for local governments to establish single-family zoning regulations was largely driven by real estate developers and was in part an effort to institutionalize the same discrimination previously codified in restrictive covenants. Real estate developers, often seeking to develop large tracts of dozens or hundreds of homes, feared that the allowing people of color to move into the neighborhood would lower the sale prices of the homes. Many developers were not in favor of policies that facilitated residential mobility for African Americans because it prompted wider readjustments of property values in White neighborhoods. Developers sought to minimize these readjustments and maximize profits and the Federal government was complicit by refusing to insure projects that lacked racial deed restrictions. Research from the University of Washington confirms that restrictive covenants have left a lasting impression on the availability of housing opportunities for low-income people of color in Seattle. For example, due to restrictive covenants, households of color were unable to gain access to mortgage financing and, as a result, the wealth building opportunity of homeownership. This effectively limited their financial ability to move into a more desirable neighborhood even after the racially exclusionary zoning and restrictive covenants were eliminated.

Redlining has also been proven to have had long-term deleterious consequences for Black Seattleites. The term redlining can be traced back to the color-coded maps used by the Home Owners Loan Corporation (HOLC) to guide Federal Homeowners Association (FHA) lending practices. The dramatic increase in homeownership and concomitant expansion of the American middle class in the mid-20th would not have happened without the FHA and the advent of their 30-year mortgage product. However, the FHA and HOLC defined Black residents as an "undesirable population" and refused to issue loans to residents in these neighborhoods. To be clear, federal policy created a pathway to homeownership, the middle class, and intergenerational wealth for White households that was unavailable to Black households.

The cumulative impacts of restrictive covenants, racist lending practices, and exclusionary zoning have become entrenched and continue to impact many Seattle households of color. Research has confirmed that many of the same Seattle neighborhoods where BIPOC residents currently face the largest threat of displacement were once deemed "undesirable" by HOLC over 80 years ago. These neighborhoods were once comprised by BIPOC residents due to the segregation perpetuated by redlining that limited the availability of housing options elsewhere in the city. These limited housing options also contributed to the racial wealth gap in the city by creating a disproportionate share of BIPOC residents that are renters rather than homeowners. Zoning and land use decisions continue to uphold segregation and perpetuate a racialized threat of displacement. With 75 percent of residential land excluded from accommodating more affordable housing types, low-income BIPOC residents are left confined to certain sections of the city competing for limited affordable housing opportunities. Accordingly, despite the advent of the Race and Social Justice Initiative, and the good intentions behind the urban village strategy, the approach has not achieved its goals because it ultimately perpetuates the same housing insecurity of low-income BIPOC residents that has been in place for years.

It is important to acknowledge the historical succession of racialized policies and practices which not only reflect the institutional racism in this country rampant at that time, but also help to perpetuate racial and economic segregation to this day. As low-income residents and people of color continue to struggle to access neighborhoods of opportunity or enjoy stability in their cultural communities, their ability to achieve intergenerational economic mobility is stunted. Homeownership and education provide two examples. Research has confirmed that children of homeowner parents are more likely to own a home and thereby have a vehicle to accrue wealth. vii Those households with access to homeownership in prior years are able to financially benefit from increasing property values in the city. At the same time, while the cost of ownership housing in Seattle has made homeownership out of reach for many low-income people and people of color, rising rents have exacerbated housing insecurity for renters. Education has long been considered "the great equalizer" because of its potential to advance intergenerational economic mobility. VIII However, recent research has confirmed that the ability to access a high-quality education varies across Seattle, with students in wealthier districts benefitting from additional teachers and other resources unavailable to low-income students in other districts. ix Many of the high-performing schools are in the single-family neighborhoods that BIPOC families were unable to access in the past due to redlining and restrictive covenants. Low-income BIPOC households continue to struggle accessing these neighborhoods due to the lack of affordable housing options available. A national analysis of "greenlined" neighborhoods (e.g. deemed "Best" or "desirable in HOLC maps) found that they remain more than 70 percent White. As a result, the same low-income families of color harmed by redlining and restrictive covenants in the past continue to suffer from housing insecurity and remain locked out of wealth-building opportunities that could lead to greater economic mobility for future generations.

III. INEQUITABLE OUTCOMES FOR BIPOC COMMUNITIES

While the City has taken several laudable steps toward fostering equitable community development, an analysis of racially disaggregated data, five focus groups with residents, and a focused discussion with over 80 city leaders indicate that there are some areas of the comprehensive plan where efforts are underperforming. Key challenges include the following:

There are insufficient housing options available that are affordable to low-income families. A primary goal of the urban village strategy is to confine growth to areas of the city that are well served by transit, and dense enough to absorb new development. This approach has worked to focus new development without inhibiting growth: the City is already well ahead of the growth projections in Seattle 2035. Despite this surge in production, housing prices and rents have continued to rise, especially for larger units. The lack of affordable units is particularly harmful for Black residents in the city given the disproportionate share of Black households that are low-income and housing cost burdened.

Residents of color disproportionately face housing insecurity and risk of displacement. Seattle's overall population has grown in recent years, but the share of the population that is people of color has not kept pace. Between 1990 and 2010, the population of color in the larger metro area increased much more dramatically than it did in the city of Seattle. In addition, Seattle's Assessment of Fair Housing also indicates that between 2000 and 2010, the number of children of color in Seattle increased by only 2% compared with 64% in the balance of King County. There are a number of possible reasons for these demographic shifts. However, the difficulty households of color in Seattle face in finding quality, affordable housing is likely a contributing factor. Twenty-two percent of households of color in Seattle are paying more than half of their income towards housing costs. Focus group participants intimated fear of residential, commercial, and cultural displacement as growing numbers of their neighbors and local small businesses become priced out of gentrifying neighborhoods.

The share of BIPOC Seattleites that are homeowners is declining. The high cost of housing in Seattle is negatively impacting the ability for low-income people and people of color to become homeowners and build wealth. Focus group participants lamented the decline in homeownership among BIPOC Seattleites. The share of Black Seattleites that are homeowners is at the lowest point in 50 years. The National Equity Atlas reveals that the Black homeownership rate shrunk from 37 percent to 24 percent between 1990 and 2017. The City's Housing Choices Background Report confirms that "owning a home in Seattle is no longer affordable to the vast majority of people who live and work here." This makes it disproportionately difficult for low-income BIPOC households to access homeownership and achieve intergenerational economic mobility.

<u>People of color are struggling to access opportunities afforded to residents of single-family</u> <u>neighborhoods.</u> The City's Equitable Development Implementation Plan states that "Seattle's communities of color tend to live in neighborhoods with low access to opportunity, leaving many without access to resources necessary to succeed in life."xiv This assessment is based the Access to Opportunity index which measures key determinants of social, economic, and physical well-being such as quality of education, civic infrastructure, transit, economic opportunity, and public health. In addition to the Access to Opportunity index findings, the Assessment of Fair Housing indicates that the racially or ethnically concentrated areas of poverty (R/ECAPs) in the city include disproportionate rates of people of color, foreign born people, families with children, and people with disabilities. Finally, focus group participants underscored the need to desegregate neighborhoods with high-achieving schools.

There is an insufficient number of units affordable and available to large families. Only two percent of rental units in Seattle have three or more bedrooms.** Seattle's Assessment of Fair Housing confirms that "the disproportionately high rate of housing problems experienced by large families indicates significant unmet housing needs among these households." For example, limited housing options leaves larger families with greater likelihood of living in areas with higher poverty exposure.** The need for larger units is acute for immigrant families and other households of color, who are often supporting, housing, or cohabitating with an extended family network.

<u>People of color have longer commute times than their White counterparts</u>. A core element of the urban village growth strategy is that development is directed toward light rail and other public transit options. In many regards the City has been successful in providing more frequent service. The share of housing units in the city with access to transit running every 10 minutes or more frequently increased by 13 percentage points between 2016 and 2017. Based on the reporting from the Equitable Development Monitoring Program and feedback from focus group participants, residents of color in Seattle have longer commute times than their White counterparts. In addition, the neighborhoods with the highest number of jobs accessible via public transit have very few market-rate units affordable to low-income families.

There is a need for more accessible workforce training and apprenticeships. – The Seattle 2035 Comprehensive Plan projects that Seattle will grow by 115,000 jobs by 2035. **viii* As documented in the Urban Village Monitoring report, growth since 2015 has exceeded projections, with one-fifth of the anticipated job growth for the entire 20-year period achieved in one year. Lowincome and BIPOC residents have been unable to take advantage of much of this job growth. **viiii* Lack of available jobs and barriers obtaining existing jobs were recurring themes in focus group discussions. This aligns with research indicating the unemployment rates for Black and Native American workers is more than twice that of their white counterparts. **X Similarly, BIPOC residents explicitly expressed the need for more middle-wage job opportunities, apprenticeships, and pathways to positions in technology and other growing sectors during focus groups and other community meetings held to inform the comprehensive plan update.

RECOMMENDATIONS FOR A MORE EQUITABLE COMPREHENSIVE PLAN UPDATE

There are a number of ways that Seattle City leaders could use the Comprehensive Plan update process to advance racial equity goals. The section below highlights several priority areas to address in the update process, incorporate in the updated Comprehensive Plan, and/or address through implementation actions, and the evaluation of the plan.

To implement a more equitable growth strategy, city leaders should adhere to the following principles for an equitable Comprehensive Plan:

- 1. Think beyond the limits of the plan to create longer-term institutional infrastructure for equity. Seattle 2035 is not a panacea that will solve every challenge facing BIPOC residents. However, it does represent an opportunity for the city to proactively coordinate across departments and partner with residents and community-based organizations to develop a suite of policies and programs that will guide the growth resulting from the plan. Such structures could become expanded institutional infrastructure and capacity to advance equity. This aligns with a recommendation PolicyLink staff made in 2015 to "set a cross-department table for addressing implementation".
- 2. Identify and support a pipeline of resident leaders for co-creation throughout the life of the plan. The extensive community engagement that informed the last Comprehensive Plan update is well documented. The Community Liaisons program is an encouraging example of this principle in practice. Implementing an equitable growth strategy will require frequent and open dialogue with residents, particularly those from underrepresented groups such as immigrants, youth, and those with limited English proficiency. Training, technical assistance, and/or supplemental education may be necessary to ensure that residents are prepared for fully informed decision making.
- 3. **Maintain a focus on population level outcomes.** Improved conditions for low-income and BIPOC residents will not be achieved with a cookie cutter approach. The needs and barriers to success vary across groups. Strategies for leveraging future development to achieve equitable goals should focus on achieving results at scale.
- 4. Use disaggregated data to develop tailored equity approaches that reach marginalized groups and measure success. Access to racially disaggregated data at a range of levels is critical (e.g. household, neighborhood, and citywide).

Racially inclusive approach to reform of single-family zoning

A major equity challenge for the urban village strategy is that it is used as a rationale for continuation of exclusionary planning practices that have shaped Seattle. Specifically, while the City has recently taken steps to allow more forms of accessory dwelling units (ADUs), the urban

village approach continues to reinforce the exclusion, generally, of everything except singlefamily residential construction on 75 percent of the residentially zoned land in the city. Given its racist origins, single-family zoning makes it impossible to achieve equitable outcomes within a system specifically designed to exclude low-income people and people of color. In order to advance racial equity at the scale codified in Resolution 31577, the City must end the prevalence of single-family zoning. This will not only create much-needed additional housing opportunities in high opportunity neighborhoods for low-income residents, is also a reparative approach with the potential to create intergenerational economic mobility for BIPOC Seattleites. Eliminating single-family zoning will not automatically or immediately incentivize the development of affordable housing. To encourage property owners to develop additional units on upzoned land, incorporating a split rate tax policy could be useful. A land value tax charges a higher rate on land and a lower rate on structures, making it in the property owners' best interest to spread that cost across units. This approach has been found to incentivize owners of expensive land with low-density structures. xx Similarly, factory-build accessory dwelling units have been found to reduced labor and material costs and shorter construction timelines that make their use more affordable.xxi

Achieving the goals of the RSJI will require a fundamental shift in how the City approaches land use and zoning. When 75% of residential land is reserved for single-family housing, the remaining 25% of land will continue to foster demand at prices unaffordable to low-income families. As the City launches the next Comprehensive Plan update, leaders should adopt a land use vision and regulations that center housing security and affordability for current and future BIPOC communities, with access and choice in neighborhoods of opportunity and bridges to homeownership and wealth building. This requires identifying and addressing the barriers preventing low-income BIPOC residents from achieving these goals.

A recurring theme across focus groups and the 10/29 workshop was the need to increase access to opportunity and economic mobility for BIPOC residents. The City should explore the best combination of financial and regulatory incentives, penalties, and technical assistance necessary to generate additional housing opportunities for low- and moderate-income households in neighborhoods currently zoned for single family residences. As the comprehensive plan strategically guides more growth in these neighborhoods, the City can develop policies and programs to ensure that any new development advances racial equity goals. The Comprehensive Plan should include a policy framework for such development, embedded in a growth strategy that recognizes key neighborhood differences. The strategy could be developed to have disparate impact in certain neighborhoods based on market viability or to promote integration and anti-displacement. Implementation of the strategy through zoning code, for example, could leverage development with incentives, such as:

- Minimum/maximum lot size allowed for conversion or new construction
- Permissibility of interior, attached, or detached development
- Gross floor area allowed

- Number of units allowed per lot
- Parking requirements
- Owner occupancy requirements
- As of right vs permitted
- Public hearing
- Amnesty of existing illegal ADUs
- Inspection fees

These leverage points could be used to incentivize participation in City programs that advance racial equity using a range of existing subsidies such as CDBG funds, HUD Section 3, or SBA 7A funds. This approach, which can be applied in the context of a range of infill housing types including but not limited to ADUs, has already been implemented in several smaller cities such as the following:

- Affordable housing The town of Barnstable, MA instituted an amnesty program and limited eligibility to owner-occupants. The property owner must agree to rent to lowincome tenants for a minimum of one-year term lease. The City incentivized participation by waiving inspection fees, using CDBG funds to reimburse homeowners for eligible costs associated with the rehabilitation of any unit rented to a low-income family, and tax relief to offset the negative impact of deed restrictions that preserve the affordability of the unit.
- Apprenticeships The City of Santa Cruz updated their comprehensive plan to allow ADU construction and eliminate parking requirements. They concomitantly promote a wage subsidy program for licensed contractors that hire apprentice workers to help build ADUs.

Increase the supply of affordable housing, particularly units that are community-controlled with long-term affordability provisions.

The affordable housing shortage in Seattle has reached a crisis level. The private market is ill-equipped to generate housing opportunities affordable to low-income households. The most common subsidies used to support affordable housing development typically expire within 30 years, creating a new crisis as advocates scramble to find resources to preserve these units. The City can take steps to increase the supply of long-term affordable units while also supporting the agency and community voice of BIPOC leaders. As one example:

Expand and replicate support for community land trusts such as Africatown Community land trusts promote lasting affordability and community control of land.
They differ from traditional housing non-profits in that they separate the ownership of
land from the ownership of housing and are governed directly by community members.
The City should prioritize community land trusts as part of the disposition strategy for
publicly owned/surplus land. This may require allocation of additional resources for
capacity building, technical assistance, and/or robust community engagement. City

- leaders should consider developing a fund to support the acquisition of units with expiring affordability requirements that could be used for community land trusts or other cooperative homeownership models, along with affordable homeownership opportunities in neighborhoods currently zoned for single-family homes.
- Explore opportunities to advance equitable transit-oriented development (eTOD) Transit-oriented development (TOD) is a planning and design approach that encourages compact, mixed-use, pedestrian-oriented neighborhoods around new or existing public transit stations. The high demand for TOD housing adjacent to transit can make homes inaccessible to people with lower incomes, while the rapid increase in property values spurred by new transit investments can lead to gentrification and the displacement of low-income BIPOC residents. Equitable transit-oriented development refers to TOD efforts undertaken with an explicit commitment to achieve equity goals through dedicated strategies that ensure low-income residents and residents of color benefit from – and are not displaced by – the new development. For example, eTOD entails a commitment to affordable housing, and that all transit modes are prioritized such that bus-service to transit-dependent communities isn't cut in order to support a new light rail service.xxii In addition, the City should require local/targeted hiring of residents and support "last mile" infrastructure that allows for efficient and effective connections between transit and home for resident. The Comprehensive Plan should replace the current definition of "transit-oriented communities" in the glossary, and the two references in the Land Use section, with language that describes eTOD to establish a benchmark for developers to follow.

Acknowledge and redress past harm

There are several ways that Seattle could advance a reparative framework as part of the Comprehensive Plan update:

Identify and protect places of significant cultural importance – While fear of residential displacement was a core challenge expressed by focus group participants as well as those at the 10/29 workshop, the erasure of the long-time cultural identity of certain neighborhoods was also elevated as an issue that needs to be addressed. As noted in the workshop, the goal should be "not just avoid displacement, but also make Seattle a place where BIPOC folks want to live, can afford to live, feel welcome and comfortable." Preserving cultural institutions such as the East African Community Center will help to accomplish this. Other cities have successfully employed this strategy. For example, Austin, TX has launched a Cultural Asset Mapping Project through a partnership between their Cultural Arts Division and Economic Development Department to document the places and resources that are important to the creativity and cultural identity of the city.**Xiiii The resource was developed through extensive community engagement in each city council district. Seattle could develop a similar list of sites that

- could be included as an Appendix to the Arts and Culture element of the Comprehensive Plan, helping to inform decision-making around the future those sites.
- Revisit community preference policy City data confirms that the urban village strategy is guiding development in a way that exacerbates housing insecurity for low-income BIPOC residents. The limited availability of developable land raises housing costs to a price point unaffordable for many of these households. Seattle has instituted a community preference policy, but the legislation is currently voluntary, only available to development in areas facing displacement, and solely intended for nonprofit affordable housing providers. City leaders should ensure the plan broadly supports community preference tools and the City should explore the viability of expanding the policy to support low-income BIPOC residents that are housing insecure but may want to live in lower-density neighborhoods.
- Institute a zoning overlay that promotes homeownership among BIPOC residents in formerly "greenlined" single-family neighborhoods. The lingering impacts of redlining in Seattle are well documented. The update of Seattle 2035 offers an opportunity to help redress some of these harms. As city leaders revisit the proliferation of single-family zoning in the city, steps should be taken to better integrate the neighborhoods that have been out of reach for BIPOC homeowners. This could be accomplished with passage of a Community Opportunity to Purchase (COPA) policy similar to the one recently passed in San Francisco. This policy requires that homeowners within the overlay area notify a pre-defined list of community-based organizations when they plan to sell the property. While COPA is typically used for multifamily buildings, the approach could be useful in providing community-based organizations with a level playing field in purchasing homes in hot market neighborhoods. With an upzoning, this process could result in multiple housing opportunities on the same lot. Community development corporations may need additional resources and training to implement a targeted acquisition strategy. The Cleveland Housing Network (CHN) has been able to develop almost 2,200 homeownership units with Low-Income Housing Tax Credits using a 15year lease-to-own model.xxiv To support CDCs in acquiring additional resources and technical assistance, the City could develop a local CDC-tax credit program similar to the one used in Philadelphia, PA. Instead of paying the local Business Income and Receipts tax, qualifying businesses are able to make a contribution to a CDC and receive credit against taxes due to the city revenue department.

<u>Develop an approach for providing reparations to BIPOC Seattleites</u> – Jurisdictions across the country are beginning to acknowledge the root cause of many racialized disparities facing BIPOC can be traced back to the negative economic impacts of government policies and programs. Several of these jurisdictions have committed to determining the optimal amount and approach for issuing compensation for these injustices. For example, in July 2020, the Mayor of Providence, RI began a multi-step process towards determine what form of reparations the city will take.** Similarly, the

- City Council of Asheville, NC unanimously passed a resolution acknowledging systemic racism and committing to "a process to develop short-, medium-, and long-term recommendations to specifically address the creation of generational wealth and boost economic mobility and opportunity in the Black community."xxvi
- Redirect tax revenue to a reparations fund for BIPOC residents The deleterious impacts of land use and zoning decisions goes beyond housing. One of the negative outcomes of the racially driven segregation of Seattle neighborhoods, is that low-income communities of color continue to face excessive contact with the police. Since the 1980s, the War on Drugs has been disproportionately waged in low-income BIPOC communities, despite no empirical evidence that people of color use drugs more than any other group. As a result, there has been disproportionate incarceration of BIPOC residents, with intergenerational impacts on households in these neighborhoods. Evanston, IL opted to leverage the legalized cannabis industry in Illinois in order to create a fund that will begin to address some of these disparities. XXXVIII Similarly, Oakland, CA has created an equitable licensing program that prioritizes individuals that were previously incarcerated for nonviolent drug offenses. XXXVIII Reparations for Seattle's BIPOC communities could also take the form of preserving or rehabilitating culturally significant sites.

Foster an equitable workforce ecosystem

City leaders should consider better coordinating workforce training with the economic development priorities for future growth. For example, if the City anticipates further growth of tech employment under the current comprehensive plan, then the Racial Equity Committee of the Workforce Development Council of Seattle-King County is well-positioned to ensure that federal Workforce Innovation and Opportunity Act (WIOA) funds are used to develop "earn and learn" training opportunities which have been found to be particularly impactful for BIPOC workers.*

The Urban Village Monitoring Report has two key indicators regarding employment: employment growth in the city as a whole by sector; and distribution and rates of employment growth by Urban Center and Hub Urban Village. While these indicators help to illustrate the supply of jobs in the city, they do not convey the rate that low-income people and people of color are able to obtain these jobs, or whether the jobs pay a family-sustaining wage. A more complete understanding of the equity outcomes related to economic growth would benefit from such data. This should also include the number of living wage jobs created as a result of City investments, such as the number of jobs created going to local residents, low-income residents, or residents of color as a result of public investments such as the Housing Levy or Multifamily Tax Exemption. While tracking such data would require developing new systems of engagement and accountability for developers, there is precedent. For example, the City already has access to contractor payroll information to ensure compliance with prevailing wage,

Davis Bacon, and HUD Section 3 projects. The current payroll tracking system could be adapted or mined for relevant data to better track the workers on projects also receiving city subsidy.

Increase resident power and voice in the development and investment process

A core element of any racial equity effort, especially with a strong focus on anti-displacement and community underinvestment, is to amplify the voice and leadership of BIPOC residents. There are several ways that City leaders can proactively address these threats, which are described below, with examples from other cities. The Comprehensive Plan update should, where appropriate, include policies that support adoption of tools like these.

- Tenant Opportunity to Purchase (TOPA) policies provide tenants living in multi-family buildings with advance notice that the landlord is planning to sell their building and an opportunity for them to collectively purchase the building. These policies generally require landlords to provide an intent to sell notice to their tenants, along with a timeframe for the tenants to form a tenant association and express interest in purchasing the units, and an additional timeframe for the tenants to secure financing. By providing renters with the right to negotiate and collectively bargain to purchase their buildings, TOPA policies level the playing field in highly speculative markets such as Seattle. TOPA was first enacted in Washington, DC in 1980 and is the nation's oldest and most comprehensive policy.xxx From 2002 to 2013, DC's TOPA helped preserve close to 1,400 affordable housing units and keep thousands of long-time, low-income residents in their homes. xxxi Tenants can purchase units individually, turning units into condos, or collectively if they form a tenant association and in partnership with a developer. Additionally, the District can acquire housing through the District Opportunity to Purchase Act (DOPA) to preserve affordable housing and address at-risk housing in need of serious repairs.
- San Francisco opted to develop a <u>Community Opportunity to Purchase Act (COPA)</u> which gives nonprofits a first right of purchase, allowing landlords to sell at market rate to nonprofits. Due to San Francisco's inflated property costs, many tenants are unable to secure enough funding to purchase a property on their own through a TOPA policy. Nonprofits could purchase housing but struggle to compete with private purchasers ready to pay in cash. COPA addresses these challenges by requiring landlords to notify affordable housing nonprofits from a qualified list when their building goes up for sale. The policy also includes a financial incentive to property owners to sell to nonprofits by exempting sites valued at \$5 million or more from paying a portion of the local property transfer tax. San Francisco fortified their COPA policy by instituting the Small Sites

- Program which provides loans to nonprofit organizations, to buy buildings before an investor does. The buildings are then converted to permanently affordable housing.
- In addition to the above strategies designed to protect residents of existing units, robust community benefits agreements (CBA) should be employed by the City for large commercial and multifamily market rate developments to generate resources for affordable housing and opportunities for economic inclusion. Similar City programs such as Mandatory Housing Affordability and incentive zoning efforts, which contribute to the affordable housing stock, do not advance inclusive economic development through employment, apprenticeships, or support for BIPOC-owned businesses in the way that CBAs have historically been used. CBAs are typically driven by coalitions of residents and advocates. However, municipalities can help foster an hospitable environment in which these coalitions can operate. For example, in 2004 the Board of Aldermen in New Haven, CT passed a resolution strongly encouraging developers to enter into CBAs and emphasizing that the city would consider CBA efforts when considering projects for approval.xxxii in 2016, Facebook entered into a CBA with a community coalition in East Palo Alto, CA, regarding a major office expansion. The CBA requires Facebook to provide nearly \$20 million toward a fund to be used for affordable housing in the region. This fund was soon leveraged to include approximately \$60 million of additional funds, to be expended on the same terms. The CBA also provides funding for other issues of community concern, including legal support for tenants and policy advocacy campaigns. Similarly, in 2018, Nashville-based community coalition Stand Up Nashville negotiated a CBA to accompany a proposed soccer stadium. The CBA contained requirements for living wage jobs, first-source hiring, affordable housing, a child-care center, and other community benefits.
- Participatory budgeting is an approach to governing that allows residents to decide how public tax dollars will be used. The process is particularly inclusive as participation can include groups that might not otherwise be able to contribute such as renters, youth, returning citizens, and undocumented workers. Engagement of these groups is key as research confirms that white, male homeowners are the most likely to share comments at zoning and planning meetings. The City of Chicago utilizes participatory budgeting to allow residents from the West Humboldt Park neighborhood to steward the funds collected through a tax increment finance (TIF). In 2018, this amounted to \$2 million exclusively directed by neighborhood residents.

CONTINUE TO INVEST IN BIPOC RESIDENT LEADERS TO CO-CREATE A MORE EQUITABLE PLAN

The Seattle 2035 Comprehensive Plan already codifies the importance of robust community engagement. The Community Well-Being and Community Involvement elements reflect a commitment to supporting all Seattleites, especially marginalized communities that are most impacted by City policies, as the city grows. Following the 2015 Comprehensive Plan update, the City documented their outreach strategies and accomplishments in *Community*

Engagement Final Report. The report highlights extensive engagement efforts in neighborhoods and citywide over a two-year period. More than 1,000 residents participated online, roughly 2,600 people met in-person, and more than 2,100 shared their feedback on the plan via a written survey. The targeted approach delineating audiences that are already active from traditionally under-represented groups, millennials, and parents of young school aged children facilitated the strategic use of City resources. A similar approach should be employed with the forthcoming plan update. There is value in ensuring that as many Seattleites as possible are aware of the update and understand how they can participate.

To achieve the equity goals enumerated earlier, the city will need to rely on an ecosystem of more deeply engaged residents. For example, Seattle has over 70 boards and commissions on which residents can apply to participate. Similarly, the Public Outreach and Engagement Liaisons (POEL), also known as the Community Liaisons program pays residents on a contract basis to organize community meetings, recruit participants, and connect them to resources such as utility payment assistance, transit passes for low-income riders, and affordable kids summer camp. XXXV As the City pursues citywide community engagement strategies, they should expand the Community Liaisons program to ensure that there is a pipeline of BIPOC resident leaders of a range of ages, and across neighborhoods that is adequately trained to support ongoing outreach once the updated plan has been adopted. To optimize the investment in capacity building, recruiting youth and young adults should be prioritized.

Conclusion

In conclusion, the City of Seattle and King County continue to be seen as national leaders in embracing the principles and values of equitable development. However, feedback from residents and city leaders, and racially disaggregated data confirm that Seattle still has a long way to go. The 2020 Comprehensive Plan update is an opportunity for the City to fully lean into its racial equity goals and address the remaining gaps facing low-income people and people of color. There is already tremendous work happening across the city to build on for this next phase. The observations shared above offer perspective on ways for City leaders to use the Seattle 2035 update as a vehicle for accomplishing their shared goal of advancing equitable development. With a vigilant focus on uplifting the most vulnerable, vesting residents with sufficient power and community voice, and tracking the right indicators, the City has the potential to achieve its goal of ensuring that all Seattleites are able to thrive and reach their full potential.

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