

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to affordable housing on properties owned or controlled by religious organizations; modifying existing development standards to facilitate creation of affordable housing; amending Section 23.45.504 of the Seattle Municipal Code, renumbering Section 23.44.009 of the Seattle Municipal Code as Section 23.44.007 and Section 23.44.019 as Section 23.44.009; and adding new Sections 23.42.055, 23.44.019, 23.45.550, 23.47A.040, 23.48.100, and 23.49.037 to the Seattle Municipal Code.

Summary and background of the Legislation: To fulfill State requirements, address displacement, and support community resilience, Office of Planning and Community Development (OPCD) is proposing a suite of Land Use Code changes that would provide a development bonus for the construction of affordable housing on property owned or controlled by a religious organization. For qualifying affordable housing developments on religious organization sites, the proposal would increase maximum height, density, and/or floor area limits to allow more affordable homes than existing zoning would allow. The development bonus would range from allowing additional homes (and no height increase) in single-family zones, to 1-3 additional floors in most multifamily and mixed-use zones, to a maximum of six floors in zones with height limits above 85 feet. In accordance with SHB 1377, all housing developed under the proposed provisions must be affordable to households with incomes under 80 percent of area median income (AMI) for 50 years.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes **X** No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes **X** No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

The legislation would have no direct financial impacts to the City. Most if not all affordable housing projects eligible for the proposed provisions would likely require public funding from Office of Housing (OH) or another funding source. The legislation could therefore slightly increase the number of funding applications OH receives through its Notice of Funding Availability (NOFA) process.

This legislation would likely require changes to Accela, the cost for which is expected to be less than \$10,000 and will be paid for by Seattle Department of Constructions and Inspections (SDCI).

Is there financial cost or other impacts of *not* implementing the legislation?

The City is required under State law to provide a density bonus for affordable housing on religious organization properties. Failure to implement this or similar legislation could invite legal challenges that the City is neglecting an obligation to fulfill its statutory requirements.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

The legislation would affect and has been developed in partnership with the Office of Housing. As noted above, the legislation could increase the feasibility of affordable housing development on religious organization property, which in turn could increase applications for OH funds. The legislation could slightly alter the permit review process for SDCI by creating a new set of standards for affordable housing on religious organization-owned property. It may require a change in Accela to allow the Office of Housing to track affordable homes created under this new policy like OH does for other units required by the Land Use Code to be affordable. This impact would be minimal (less than \$10,000) and could include:

- 1) **A new document type** to support applicant upload of an agreement showing the intent to provide affordable housing in accordance with the religious property ordinance.
- 2) **A new custom list** to identify which ordinance is applicable given the multiple affordable housing ordinances in development at the moment.
- 3) **A new report** may be necessary but is unlikely to be complex, especially if the custom list in #2 is completed.

b. Is a public hearing required for this legislation?

A public hearing will be required under SMC 23.76.062 because this legislation would amend Title 23 and is a Type V Council land use decision.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes. At least one public hearing will be held during the City Council's deliberative process. Public notice was required in *The Daily Journal of Commerce* and the City's Land Use Information Bulletin of the comment and appeal period for our environmental review under SEPA.

d. Does this legislation affect a piece of property?

No. The legislation would not directly affect any specific piece of property but would modify the type and amount of affordable housing development allowed on certain properties owned

or controlled by religious organizations. Our analysis of King County Assessor data suggests that religious organizations currently own about 700 parcels in Seattle.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

The legislation would provide a new tool to address the challenges of housing affordability and displacement, both of which disproportionately impact BIPOC communities. The Black population in the Central Area has dramatically decreased from more than 70% of the neighborhood's residents in the 1970s to less than one-fifth of the neighborhood's population today. Black faith organizations in the Central Area have advocated for affordable housing development on their property as a strategy to address displacement, strengthen community ties, and maintain community ownership in the neighborhood. When implemented with the support of public funds and tools like community preference, the proposed policy helps address historic and current injustices resulting from institutionalized racist practices by supporting community-driven and community-owned development.

Materials about this proposal on the [OPCD website](#) can be translated. OPCD and OH are planning to send information by mail to properties owned by religious organizations with information in the seven Tier 1 languages identified by OIRA.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

The legislation is not likely to have a material effect on carbon emissions. To the extent that the legislation facilitates incrementally more or larger affordable housing development in Seattle, the legislation could marginally increase the number of Seattle residents, specifically lower-income households, able to live in compact neighborhoods where they can meet their daily needs without the use of a vehicle.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

Not applicable.

List attachments/exhibits below:

None