

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
LEG	Ketil Freeman	NA

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to land use and zoning; establishing the Connected Community Development Partnership Bonus Pilot Program; and adding new Sections 23.40.090 through 23.40.097 to the Seattle Municipal Code.

Summary and Background of the Legislation:

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 a required minimum amount of affordable housing.
- 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 (OH) 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.

- Requesting the Directors of the Seattle Department of Construction and Inspections (SDCI), the Office of Planning and Community Development (OPCD), and OH promulgate a Director's Rule for administering the program.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?

☐ Yes ☒ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City?

☐ Yes ☒ No

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

The proposed legislation requests that SDCI, OPCD, and OH promulgate a Director's Rule identifying processes and criteria for vetting and verifying potential pilot program participants. Developing a joint Director's Rule Can likely be accomplished with existing staff and resources in OPCD's Equitable Development Initiative Division, OH's policy and planning team, and SDCI's code development group.

However, while developing a joint rule those departments may identify the need for ongoing resources to staff the pilot or provide technical assistance to potential program participants. While identification of needed resources is premature, those could include a .5 FTE term-limited position for the life of the program. That could be either a Senior Planning and Development Specialist at the OPCD or a Senior Community Development Specialist at OH. The fully loaded cost for each part-time position is approximately \$89,000 annually.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

See above.

Please describe any financial costs or other impacts of *not* implementing the legislation.

None.

4. OTHER IMPLICATIONS

- a. Please describe how this legislation may affect any departments besides the originating department.**

The legislation requests that SDCI, OH, and OPCD promulgate a Director's Rule for administering the program. Program applicants would have permit applications reviewed by SDCI.

- b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

The proposed legislation would apply to up to 35 projects over a five years period in most zones where residential development is allowed. The exact location of potential sites would depend on site control by organizations that qualify to participate in the pilot. A SEPA threshold determination of non-significance by OPCD, which was issued on January 18, 2024, is attached

- c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

The legislation would provide a new tool to address the challenges of housing affordability and displacement, both of which disproportionately impact BIPOC communities. When implemented with the support of public funds and tools like community preference, the proposed policy could help address historic and current injustices resulting from institutionalized racist practices by supporting community-driven and community-owned development.

- d. Climate Change Implications**

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

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.

- ii. **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

- e. **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)? What mechanisms will be used to measure progress towards meeting those goals?

Not applicable.

5. CHECKLIST

Please click the appropriate box if any of these questions apply to this legislation.

- ☐ **Is a public hearing required?** Yes. A hearing was held on February 21, 2024.
- ☐ **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?** Yes. Notice was provided in the January 22, 2024 *Daily Journal of Commerce*.
- ☐ **If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**

Not applicable.

- ☐ **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

If yes, please review requirements in Resolution 31203 for applicability and complete and attach “Additional risk analysis and fiscal analysis for non-utility partner projects” form.

Not applicable

6. ATTACHMENTS

List Summary Attachments (if any):

Summary Attachment A – SEPA Threshold Determination of Non-significance, January 18, 2024