

CITY OF SEATTLE

RESOLUTION _____

..title

A RESOLUTION requesting evaluation of residential displacement as it relates to increases in development capacity in certain areas; and declaring the Council’s intent to consider strategies to mitigate any loss of subsidized affordable units and naturally occurring affordable units resulting from an increase in development capacity.

..body

WHEREAS, Race and Social Equity is one of the core value of Seattle 2035, Seattle's Comprehensive Plan for growth over the next 20 years, and the displacement of longtime, lower-income residents undermines the City’s commitment to equity; and

WHEREAS, the City’s vision states, “...[a]s Seattle grows, its housing supply grows and adapts to meet the needs of all households, regardless of color or income, including families with children, seniors, and people who have disability...Our growing city does not force people from their homes; they are able to stay in their neighborhoods, with their established community resources and cultural institutions;” and

WHEREAS, in Seattle 2035, the City defines displacement as “the involuntary relocation of residents or businesses from their current location. Direct displacement is the result of eviction, acquisition, rehabilitation, or demolition of property, or the expiration of covenants on rent/income-restricted housing. Indirect displacement occurs when residents or businesses can no longer afford escalating rents or property taxes”; and

WHEREAS, the City Council recognizes that displacement has negative impacts on the health and wellbeing of individuals and communities; and

WHEREAS, the City of Seattle has been shaped by its history of racial segregation and the economic displacement of communities of color and rising housing costs affect marginalized populations the most; and

1 WHEREAS, Seattle’s population of people of color increased from 26 percent in 1990 to 34
2 percent in 2010...People of color make up 41 percent of the population living in urban
3 centers and urban villages compared to 30 percent of the population residing outside...the
4 Black or African American population in urban centers or villages decreased from 14
5 percent in 1990 to 11 percent in 2010...conversely, there were increases in shares of
6 Asian, Hispanic or Latino populations in urban centers or villages during this same time
7 period; and

8 WHEREAS, in May 2016, the City published a Growth and Equity Analysis that compiled data
9 about several economic and demographic factors that help identify places in the city
10 where residents, especially people of color and low-income residents, could be at risk of
11 displacement ~~or~~and where there is less access to employment and other opportunities; and

12 WHEREAS, Seattle 2035, Growth Strategy Figure 3, identifies, the following Hub Urban
13 Villages with high risk of displacement: Bitter Lake Village and Mt. Baker (North
14 Rainier); and the following Residential Urban Villages with a high risk of displacement:
15 23rd and Union-Jackson, Columbia City, North Beacon Hill, Othello, Rainier Beach,
16 South Park, and Westwood-Highland Park; and

17 WHEREAS, the Growth and Equity Analysis (May 2016) stated that “[if] unmitigated, rapid
18 market-rate redevelopment in high displacement risk areas is likely to exacerbate
19 displacement pressures... In the recommended Growth Strategy, the City anticipates a
20 higher rate of growth in urban villages with good transit service and a relatively lower
21 rate of growth in urban villages with high displacement risk and low access to
22 opportunity.... ~~However, in certain areas, displacement is a concern regardless of the level~~

1 ~~of growth and is likely to have disproportionate impacts on marginalized population;~~
2 ~~and...; and~~

3 WHEREAS, Seattle 2035, ~~Goal~~Growth Strategy policy 1.8, states that the City will “[u]se
4 zoning and other planning tools to shape the amount and pace of growth in ways that will
5 limit displacement of marginalized populations, and that will accommodate and preserve
6 community services, and culturally relevant institutions and businesses;” and

7 WHEREAS, one way the City works to address racial and social equity is by creating and
8 preserving affordable housing, particularly for lower-income households; and as housing
9 development continues, the City is committed to promoting policies that limit
10 displacement, stabilize marginalized populations in their communities, and encourage a
11 net increase in affordable housing over time.; and

12 WHEREAS, in September 2014 the City Council adopted Resolution 31546, in which the
13 Council and Mayor ~~proposed that a Seattle~~convened the Housing Affordability and
14 Livability Agenda (HALA) Advisory Committee ~~be jointly convened by the Council and~~
15 ~~the Mayor~~ to evaluate potential housing strategies; and

16 ~~WHEREAS, the HALA Advisory~~ Committee ~~provided~~submitted final recommendations to the
17 Mayor and City Council on July 13, 2015; and

18 WHEREAS, the HALA Advisory Committee recommended extensive citywide ~~upzoning~~zoning
19 changes of residential and commercial zones and, in connection with such ~~upzones~~zoning
20 changes, implementation of a mandatory inclusionary housing requirement for new
21 residential development and commercial linkage fees for new commercial development;
22 and

1 WHEREAS, in November 2015, the City Council adopted Resolution 31612, stating the
2 Council’s intent to make changes to zoning and land use regulations to implement a
3 mandatory inclusionary affordable housing program for residential development
4 recommended by the HALA Advisory Committee and the Mayor; and

5 WHEREAS, due to a shortage of affordable housing in the city, lower-income employees
6 associated with new commercial development may be forced to live in less than adequate
7 housing within the city, pay a disproportionate share of their incomes to live in adequate
8 housing in the city, or commute greater distances to their jobs from housing located
9 outside the city when they are unable to locate adequate housing within the city; and

10 WHEREAS, in August 2015, the Mayor transmitted legislation to provide a framework for
11 ~~mandatory housing affordability~~Mandatory Housing Affordability for commercial
12 development (MHA-C) and the City Council passed Ordinance 124895 on November 9,
13 2015; and

14 WHEREAS, the City Council passed Ordinance 125108 to provide a framework for ~~mandatory~~
15 ~~housing affordability~~Mandatory Housing Affordability for residential development
16 (MHA-R) on August 15, 2016; and

17 WHEREAS, the City Council passed Ordinance 125233 on December 16, 2016, to provide
18 consistency within the MHA-C framework with Ordinance 125108; and

19 WHEREAS, the MHA-R and MHA-C framework legislation outlines Council’s intent to
20 “consider whether to include higher performance and payment amounts, subject to
21 statutory limits, for those areas where the increase in development capacity would be
22 likely to increase displacement risk;” and

1 WHEREAS, the City is currently preparing an Environmental Impact Statement (EIS) to
2 evaluate the potential environmental impacts of increasing development capacity and
3 implementing ~~the~~ Mandatory Housing Affordability (MHA) ~~program~~ in some portions of
4 the City; and

5 WHEREAS, Seattle 2035, Housing Policy 2.5, states the City’s intent to “[m]onitor the supply of
6 housing and encourage the replacement of housing that is demolished or converted to
7 nonresidential or higher-cost residential use;” and

8 WHEREAS, Seattle 2035, Housing Policy 2.6, states the City’s intent to “[s]eek to identify
9 affordable housing at risk of demolition and work to mitigate the displacement of
10 residents ahead of planned upzones;” and

11 WHEREAS, Seattle 2035, Housing Policy 2.7, states the City’s intent to “[e]valuate the City’s
12 efforts to mitigate displacement of affordable housing;” and

13 WHEREAS, Seattle 2035, Land Use Policy 2.7, states the City’s intent to ~~“Review”~~ “[r]eview
14 future legislative rezones to determine if they pose a risk of increasing the displacement
15 of residents, especially marginalized populations, and the businesses and institutions that
16 serve them;” and

17 WHEREAS, Seattle 2035, Land Use Policy 9.23, states the City’s intent to “[u]se zoning and
18 other planning tools in urban centers and urban villages to address displacement of small
19 locally-owned businesses that reinforce local neighborhood and cultural identity and
20 provide culturally relevant goods and services to Seattle’s diverse population;” and

21 WHEREAS, between 2005 and 2015, the City issued demolition permits for 5,916
22 dwelling units and construction permits for 53,238 new housing units; during this same
23 period Seattle’s population grew by approximately 90,000 people (~15 percent); and

1 WHEREAS, the Council finds that a detailed residential displacement analysis is needed to
2 evaluate the risk of increased displacement and to identify strategies to mitigate loss of
3 affordable units and naturally occurring affordable units that may be found to result from
4 an increase in development capacity; NOW, THEREFORE,

5 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
6 **MAYOR CONCURRING, THAT:**

7 Section 1. The Council reaffirms its commitment to manage future growth of the City in a
8 manner that continues to encourage racial and social equity and minimizes any potential
9 disproportionate impact of future development on marginalized populations, especially people of
10 color and low income populations, that are demonstrated through the analysis pursuant to Section
11 2.

12 Section 2. The Council requests that the Office of Planning and Community
13 Development (OPCD) complete a detailed analysis of the potential for residential displacement,
14 both direct and indirect, that could result from increases in development capacity subsequent to
15 the date established in Section 2. The analysis should evaluate whether proposed capacity
16 increases would: (1) increase or decrease direct displacement due to demolition; and (2) either
17 introduce or accelerate a trend of changing socioeconomic conditions that may potentially
18 displace vulnerable populations. The analysis should include, but not be limited to, the following
19 factors disaggregated by neighborhood or by Urban Center or Village:

20 A. Population and household characteristics, and changes over time (total number of
21 residents, age, race and ethnicity, disability, total number of households and household size,
22 household income and poverty status, lower-income households as a share of all out- or in-
23 migration).

1 B. Housing characteristics, and changes over time:

2 1. Housing stock: current housing mix, age of housing, housing tenure, units
3 per structure, vacancy rates, and a summary of recent demolitions broken down by size and age
4 of building.

5 2. Housing affordability: cost burden for renter households and owner-
6 occupied households; median home value; median monthly rent; vacancy rate compared to rent;
7 average monthly rent by year of structure; average monthly rent by size of structure; average
8 monthly rent by number of bedrooms; and rental household income;

9 3. Housing Supply: anticipated total new units and new affordable units. In
10 areas where the City's Equity Analysis indicates that there is a high risk of displacement,
11 determine whether relocation opportunities exist (or will exist) within the study area for these
12 displaced households.

13 C. Redevelopment sites characteristics:

14 1. Number of redevelopment sites under existing and proposed zoning using
15 OPCD's redevelopable parcel GIS data; identify all sites potentially redevelopable and rank
16 development sites by the likelihood of redevelopment over a 20-year planning horizon.

17 2. Analyze the number of existing units occupying the identified
18 redevelopment sites, broken down by size and age of building.

19 3. From the list of all possible redevelopment sites: (a) identify renter versus
20 owner occupied units; (b) estimate the number of residents that could be displaced if the sites
21 redevelop; and (c) estimate the number of low-income tenants that could be displaced if the sites
22 redevelop (using data from the Tenant Relocation Assistance Ordinance).

1 4. To the extent that reliable data is available, identify any rental units that
2 have or are receiving public subsidies (i.e. properties where public investment was part of the
3 development or other programs that subsidize the cost of housing); and estimate the number of
4 units with low - and moderate-income people living in housing that have not received public
5 subsidies.

6 D. Provide an overview of the different kinds of displacement (i.e. direct, economic,
7 cultural), map the displacement risk (from the City's ~~equity analysis~~Growth and Equity
8 Analysis) and analyze the relationship between new housing development that could result from
9 increases in development capacity and loss of low-income housing.

10 E. Summarize the anticipated growth differentiated for each neighborhood or Urban
11 Center or Village by: market strength, residential tenure, displacement risk, and access to
12 opportunity; and qualitatively assess relative displacement impacts of different approaches to
13 MHA implementation based on distribution of growth and new affordable units. Include in this
14 analysis the relative displacement impacts using high, low and likely growth scenarios and
15 analyze any disparate impacts on protected classes under each zoning alternative.

16 F. Recommendations for mitigation measures to address units at risk of demolition
17 and populations at risk of displacement.

18 Section ~~23~~. The Council requests that OPCD develop and submits a report to Council
19 detailing the residential displacement analysis completed, and any mitigation strategies identified
20 to address residential displacement, pursuant to Section ~~12~~, by May 15, 2017.

21 Section ~~34~~. The Council intends to consider a range of strategies to increase affordable
22 units sufficient to offset the affordable units at risk of demolition due to new development and

1 strategies to address displacement resulting from changing socioeconomic conditions that may
2 potentially displace vulnerable populations.

3 Adopted by the City Council the _____ day of _____, 2017,
4 and signed by me in open session in authentication of its adoption this _____ day of
5 _____, 2017.

6 _____
7 President _____ of the City Council

8 The Mayor concurred the _____ day of _____, 2017.

9 _____
10 Edward B. Murray, Mayor

11 Filed by me this _____ day of _____, 2017.

12 _____
13 Monica Martinez Simmons, City Clerk

14 (Seal)