

OFFICE OF PLANNING AND COMMUNITY DEVELOPMENT (OPCD)

Staff: Lish Whitson

Budget Summary (\$ in 000s)

	2021 Adopted	2022 Proposed	% Change
Appropriations by BSL			
Operating			
Planning and Community Development	7,675	11,324	48%
Design Commission	593	654	10%
Equitable Development Initiative	5,565	19,454	250%
Total Appropriations¹	13,833	31,432	127%
Total FTEs	42	46.5	11%
Revenues			
General Fund	12,955	9,178	(29%)
Short-Term Rental Tax	285	5,000	1,657%
Payroll Expense Tax	-	16,600	N/A
REET I Capital Fund	593	654	10%
Total Revenues	13,833	31,432	127%

¹ Numbers may not add up due to rounding.

I. Background

The Office of Planning and Community Development (OPCD) oversees citywide and neighborhood-level planning, and supports community-led development. The Department has five divisions: Equitable Development, Long-Range Planning, Community Planning, Land Use Policy and Urban Design. It also staffs the Seattle [Design](#) and [Planning](#) commissions. Finance and administration and communications staff report to the Director. Under the Mayor’s proposal, OPCD’s budget would increase by 4.5 FTEs to 46.5 FTE and \$17.6 million to \$31.4 million. Growth is predominantly in funding and staff support for EDI projects.

The **Equitable Development** division is responsible for the [Equitable Development Initiative](#) (EDI), which supports community-based organizations’ projects to mitigate displacement and increase access to opportunity for Black, Indigenous, and people of color (BIPOC) communities. Support is provided through both grants and technical assistance. In the 2022 Proposed Budget, there would be \$19.5 million available for community grants and 9.5 FTE in the EDI division. This represents a 250 percent increase over the EDI funding budgeted for 2021. The 2022 Proposed Budget also includes three new positions to support EDI projects, two Planning and Development Seniors in the Equitable Development division and one Grants and Contract Specialist in the Finance and Administration division. The [Strategic Investment Fund](#), a one-time \$30 million fund to support property acquisition for similar projects, was budgeted in Finance General in the 2021 Adopted

Budget. In September It was allocated to OPCD and the Office of Arts and Culture, and EDI staff will oversee most of the SIF-funded grants. The SIF is not funded in the 2022 Proposed Budget, however EDI funding can be used for the types of projects funded by the SIF.

The **Community Planning** division continues to work with Sound Transit and the Seattle Department of Transportation on planning for areas around future light rail station areas, including at [130th and I-5](#) and at stations along the [Ballard to West Seattle](#) light rail extension. Other community planning projects underway include completing [Crown Hill](#) planning, continuing to work with the Westwood-Highland Park community, and potentially starting a planning effort in Aurora-Licton Springs. OPCD will receive \$2.5 million (\$2.3M of Payroll Expense Tax revenues and \$200k of GF) to implement recommendations of the [Duwamish Valley Program](#). Three positions would be added to the division in 2022: a Strategic Advisor 1 Indigenous planner; a Strategic Advisor 1 to serve as project manager for the Duwamish Valley Program; and a Planning and Development Specialist II position, which replaces a vacant Strategic Advisor 1 position, to support the work of the division.

The **Land Use Policy** division is working on implementation of the recommendations of the [Industrial and Maritime Strategy](#), with an Environmental Impact Statement (EIS) scheduled to be released in 2022. The division continues to work on policies to support housing, from [Backyard Cottages](#) to equitable zoning strategies. A Planning and Development Specialist II position would replace a vacant Strategic Advisor 2 position to support the work of the division.

The **Urban Design** division continues to support major projects around the city, including design for the [Mt. Baker Station Area](#). The division also continues working on neighborhood design guidelines, with completion of Crown Hill design guidelines anticipated in 2022.

The **Long-Range Planning** division is working on a major update to the [City's Comprehensive Plan](#). Outreach and engagement will ramp up in 2022 along with scoping for an EIS that will analyze a range of alternatives for accommodating anticipated growth over the next 20 years. Work will begin on a multi-year project to update plans for the City's six [regional growth centers](#) in response to regional planning requirements. A full-time Planning and Development Specialist II position would replace a vacant 0.5 FTE Planning & Development Specialist II position.

OPCD's work occurs in the context of significant and inequitable growth. According to the U.S. Census, Seattle was the third fastest growing large city in the United States between 2010 and 2020, growing by 128,000 residents from 609,000 to 737,000, a 21 percent increase. In that period, the number of housing units grew by 59,800 units from 308,500 to 368,300, a 19 percent increase.¹ [Covered employment](#) in Seattle increased from 463,000 in 2010 to 638,000 in 2021, a 38 percent increase over the decade. During this period, Seattle households grew significantly wealthier. Median income of households in Seattle grew from \$60,000 a year in 2010 to \$102,000 in 2019, a 70 percent increase.²

This growth was not equitably distributed. Black and Indigenous households have been displaced from the city in favor of higher income households and will have challenges returning to the city absent changes in government policy. In September 2020, OPCD published its first [Equitable Development Community Indicators Report](#).³ Among the key findings of the report are:

- About one third of Seattle's households of color own their home compared to roughly half of the city's white households.
- In Seattle, roughly half of Native American, Black, and Pacific Islander households are housing cost burdened, meaning they spend more than 30 percent of their income on housing. In comparison, roughly one-third of white households are cost burdened.
- There is a shortage of rental housing affordable and available at all low-income levels including 30% of Area Median Income (AMI), 50% of AMI, and 80% of AMI.
- The shortage is especially severe for households with extremely low incomes: there are only 32 rental units affordable and available at 30% of AMI for every 100 renter households with incomes at or below 30% of AMI.
- The city's slim supply of multi-bedroom rentals disproportionately impacts households of color, including immigrant and refugee households, who tend to be larger than white households.
- Several neighborhoods including the Central Area, have a relatively low share of affordable units, making it increasingly hard for historical communities to remain. Market-rate units that are still affordable in these and other neighborhoods are at risk, threatening further displacement due to market and economic pressures.
- Black people have the longest average commute time to work while whites have the shortest.

¹ Vacancies decreased over this period from 25,000 vacant units to 22,700 vacant units. As a result, the number of occupied units increased from 283,500 to 345,600, a 22 percent increase. The Group Quarters population, which does not reside in housing units, increased from 24,925 to 29,918, a 20 percent increase.

² Data from the U.S. Census Bureau's American Community Survey. For comparison, median incomes in the United States grew from \$50,000 to \$66,000 over this period, a 32 percent increase.

³ The Equitable Development Community Indicators Report is one of a number of reports that OPCD and the Planning Commission have released over the last three years that will support the Comprehensive Plan update, including: Seattle Planning Commission's [letter](#) on recommendations for overarching themes for the next major update to the Comprehensive Plan, [Evolving Seattle's Growth Strategy](#) and [Neighborhoods for All](#); PolicyLink and OPCD's [Comprehensive Plan Racial Equity Analysis](#); and OPCD's [Urban Village Indicators Monitoring Report](#), and [Public Engagement Report](#).

II. Issue Identification

1. Comprehensive Plan Major Update

Seattle is required under the [Growth Management Act](#) to update its Comprehensive Plan by June 2024. A core requirement of the update is to ensure that the city can accommodate anticipated growth. The [King County Countywide Planning Policies](#) (CPPs) were recently updated with new growth estimates for the period between 2019 and 2044. Seattle must plan for an additional 112,000 housing units and 169,500 jobs over that 25-year period. This represents a slower growth rate than the city experienced in the 2010s, but will require the city to add 4,500 units a year and 6,800 jobs a year on average. The City currently has [capacity](#) for 172,440 housing units and 245,598 jobs.

The 25-year growth targets under the CPPs represent 76 percent of Seattle's capacity for new housing units and 71 percent of the city's capacity to accommodate new jobs. While the city may be able to accommodate its planned growth under current zoning, doing so will come with costs. Growth will continue to exacerbate the racial and economic inequities that were raised in the Equitable Development Indicators Report.

The Comprehensive Plan update provides an opportunity for public discussions regarding whether and how the city wants to change its approach to growth to address these issues. The update also provides an opportunity to consider citywide changes to zoning if the preferred alternative would necessitate zoning changes. It will provide information about the impacts of growth on issues of importance to the Council, including housing affordability, displacement, transportation, and trees. It will require robust public outreach and engagement, particularly targeted at BIPOC communities who have the most to lose from displacement.

The 2022 Proposed Budget includes a total of \$575,000 over three years to complete the update to the Comprehensive Plan. Of the total, \$150,000 would be used for outreach and engagement, with \$100,000 already allocated in the 2021 Adopted Budget and \$50,000 in the 2022 Proposed Budget. OPCD has hired a temporary outreach and engagement specialist for six months to help them build and implement their [Community Engagement Plan](#). The update will require an EIS that will analyze the potential impacts of a range of approaches to accommodating growth. The EIS would receive \$425,000 for consultant assistance. Of those dollars, \$30,000 were allocated in the 2021 Adopted Budget, \$300,000 are in the 2022 Proposed Budget, and \$95,000 are anticipated in 2023. OPCD plans to contract with a consultant to undertake that work.⁴ In addition, there are 3.5 staff allocated in the 2022 OPCD work plan to work on the Comprehensive Plan update.

The State Environmental Policy Act (SEPA) was amended recently to [allow](#) analysis of zoning changes that implement the City's growth strategy alongside analysis of changes to the Comprehensive Plan. Consequently, the EIS for the update presents a unique opportunity to

⁴ The consultant contract for the EIS for the previous update to the Comprehensive Plan was \$437,000. The initial contract for this work was for \$300,000. Three amendments due to increases to the scope of work brought the final contract up to \$437,080 by the last amendment in 2016. This is close to \$500,000 in 2021 dollars.

analyze the impacts of a range of growth alternatives that will shape the city over the coming decades and at the same time analyze zoning changes to implement the preferred alternative.

After the last Comprehensive Plan update, which required an EIS, the City spent three years and \$750,000 on a second EIS to analyze the Mandatory Housing Affordability proposal, which implemented policies adopted in the Comprehensive Plan update. An additional year and consultant resources were required due to appeals of the EIS's review of historic resources analysis. Additional resources spent in 2022 on the Comprehensive Plan EIS and historic preservation analysis⁵ may be able to save both time and money, and make best use of community time and energy around planning.

The Executive suggests that increasing funding for the EIS should wait until the scope for the EIS is set. The EIS scope will be determined after a public outreach process, which is planned to start before the end of the year and extend into 2022.

Options:

- A. Add staff to support this work, including outreach and engagement support.
- B. Increase funding for consultant work on the EIS and for historic survey work in the Department of Neighborhoods.
- C. No Action

2. Regional Growth Centers Planning

Seattle's six urban centers (Downtown Seattle⁶, First Hill/Capitol Hill, South Lake Union, Northgate, the University Community, and Uptown) are designated as "regional growth centers" under [Vision 2050](#), the region's plan for growth. According to OPCD's [Comprehensive Plan monitoring website](#), over 50 percent of housing growth in the city in the past five years and 75 percent of recent job growth has occurred in these six centers. Under the State's Growth Management Act, the City's plan is required to be consistent with Vision 2050. The City currently has plans and targets for growth for each center that respect their importance as places for significant growth of jobs and housing.

Vision 2050 [requires updates](#) to those plans by 2025. Updated plans will need to include expanded policies and programs related to:

- Regional collaboration and visions for centers;
- Environment and climate change;
- Land use and development plans;

⁵ The City's historic resource [surveys](#) are particularly weak in areas in Southeast, West and North Seattle with a high risk of displacement. For example, there are only 10 potential historic resources listed in the "North District," the large area north of NE 95th Street and east of 15th Avenue NE. The Department of Neighborhoods indicates that at least \$125,000 would be needed to update its survey of historic resources.

⁶ The Downtown Seattle Urban Center includes the Belltown, Chinatown/International District, Commercial Core, Denny Triangle and Pioneer Square subareas.

- Housing;
- Economy;
- Transportation;
- Public services; and
- Racial equity.

OPCD’s proposed workplan dedicates one FTE and their 2022 Proposed Budget adds \$150,000 GF for consultant services to begin this work in 2022. Planning will require outreach and engagement with the affected centers, as well as data analysis, environmental review and policy development targeted at each center’s particular circumstances, needs and goals.

Options:

- A. Add funding and positions in OPCD to undertake this work over the next three years.
- B. Increase consultant funding to do this work.
- C. No Action

3. Equitable Development Initiative and Strategic Investment Fund

The Equitable Development Initiative received 78 applications totaling over \$50 million and was able to fund 21 projects totaling \$9.8 million in 2021. Projects accepted into the EDI program may receive funding, technical assistance, or both. The Strategic Investment Fund received over 100 applications totaling over \$500 million and was able to fund 13 projects totaling \$30 million in 2021. Demand and interest in this funding has far exceeded the City’s ability to make grants. Given current workloads, increased funding should be accompanied by resources for additional staff who would provide technical assistance and support the grants. In addition to staff in OPCD who would manage these projects, the increasing volume of EDI contracts and transactions may soon necessitate additional staff in the Law Department.

Options:

- A. Add funding and staff to increase the EDI in 2022, allowing the EDI Advisory Board and staff to identify most equitable approach to allocating funding.
- B. Add funding and staff targeted at SIF projects that were not funded in 2021. The EDI Advisory Board and staff would need to identify the most equitable approach to allocating these funds.
- C. No Action