

6. General Policies for Capital Funding

The following policies apply to all OH-funded affordable rental and homeownership projects except where a more limited class of projects is identified below, but not to projects involving only weatherization and home repair.

DEVELOPMENT SITING POLICY

A. General Policy

OH will not fund, or certify as consistent with the Consolidated Plan, a project not previously funded by the City if the proposed number of subsidized rental housing units for Extremely Low Income households would exceed the capacity for additional subsidized rental housing units for Extremely Low Income households in the Census block group where the proposed project is located, except as otherwise specified below. Capacity for additional subsidized rental housing units for Extremely Low Income households is defined as:

- Twenty percent of the sum of: the total number of housing units in the Census block group (according to the latest data available from the Department of Planning and Development, DPD, calculated based on Decennial Census data plus net new residential units), the total number of rental housing units in the proposed project, and any new rental housing units funded by OH but not yet captured in DPD's data;
- Less the number of existing subsidized rental housing units for Extremely Low Income households in the Census block group according to the latest data available from OH (projects with capital subsidies from public agencies, i.e., City-funded projects as well as non-City funded projects as reported periodically by county, state and federal agencies, including units that are funded by OH but not yet constructed or occupied).

This policy does not apply to Yesler Terrace Replacement Housing, or to projects located within the Downtown, Uptown and South Lake Union Urban Centers because of the special nature of these Urban Centers as high priority areas for affordable housing investment.

B. Alternative Conditions

A project may be consistent with the Consolidated Plan and may be funded despite exceeding capacity, as defined above, if the Director finds that one or more of the following conditions are met:

- Additional market-rate housing development is planned in the Census block group, and the proposed project would not result in more than 20% of total housing units in the block group being subsidized rental housing for Extremely Low Income households, based on an adjusted estimate of total housing units that includes units for which building permits have been issued

(based on the Department of Planning & Development’s latest report of building permit data) or other such documentation as deemed appropriate by OH.

- Natural or manmade barriers (e.g. a bluff, waterway, or freeway) physically separate the proposed project from existing concentrations of subsidized rental housing for Extremely Low Income households.

The Director will make a determination of available capacity under this policy (“Siting Determination”) in advance of an overall determination of consistency with the Plan, when a request is made by a project sponsor. The request must specify a project location, a maximum number of rental housing units for Extremely Low Income households and, if applicable, a minimum number of other proposed housing units. The sponsor may not have a current Siting Determination for a project at a different location for which the sponsor has not submitted an application for funding. The siting determination shall be in effect for up to one year, during which time any request for a certification of the project’s consistency with this Plan and any application to OH for funding may rely on the determination, provided that the parameters of the proposed project remain consistent with the project description at the time of the determination, even if the number of housing units or other subsidized units in the Census Block Group has changed. Sponsors may withdraw a siting determination prior to its expiration and request a determination for a new or revised project proposal.

The Analysis of Impediments to Fair Housing prepared for the City of Seattle, which is available on OH’s website, includes a thorough overview of federal, state and local fair housing law. OH’s Development Siting Policy is a tool for addressing barriers to fair housing. One goal is to ensure that housing for Seattle’s lowest-income and most vulnerable populations is available throughout the City, including in our most amenity-rich neighborhoods in terms of transit, schools, parks and retail.

In accordance with the Fair Housing Act, Title 42, Chapter 45, Subchapter I, Section 3604, the Director may make reasonable accommodations specific to the Development Siting Policy when such accommodations may be necessary to afford people with disabilities equal opportunity to use and enjoy a dwelling.

NEIGHBORHOOD NOTIFICATION AND COMMUNITY RELATIONS POLICY

Prior to application for OH funding (either permanent or bridge financing) for production or preservation of affordable rental housing or development or acquisition of four or more units of housing for sale to Low Income homebuyers on one site, applicants are required to prepare and begin implementing a community relations plan, including neighborhood notification activities. The community relations plan is needed whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful notification effort leads to open, ongoing communication between developers and neighbors. This requires cooperation by developers, the City, and neighborhood residents. A positive, open relationship between housing developers and neighbors can prevent misunderstandings, facilitate

prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of ironing out differences.

It is the policy of The City of Seattle that OH funding of affordable housing not be refused solely on the basis of concerns expressed by neighbors; the City supports and is committed to promoting diversity in Seattle neighborhoods. Consistent with local, State and Federal law, housing may not be excluded from a neighborhood based on any of the following characteristics of the persons who will live there: age, ancestry, color, creed, disability, gender identity, marital status, honorably discharged veteran or military status, national origin, parental status, political ideology, race, religion, sex, sexual orientation, possession or use of a Section 8 voucher, or use of a service animal by a disabled person.

The City supports affordable housing projects that will preserve and enhance the strengths of Seattle's neighborhoods. Housing developers and neighbors should keep OH informed of any issues or concerns throughout the community notification process and operation of the project.

A. Minimum notification requirements for affordable housing developers

The steps outlined below describe minimum notification requirements, although OH may make exceptions to these requirements due to the unique circumstances of a proposed project (e.g., housing for victims of domestic violence). Any outreach and communication activities shown in parentheses after each requirement are shown as examples only. Applicants should tailor notification efforts to best serve each individual project and neighborhood.

1. Prior to releasing purchase and sale agreement contingencies:
 - Consult with OH. OH will help identify developers of other affordable housing in the neighborhood(s) being considered and suggest neighborhood organizations to contact.
 - Contact other affordable housing owners to learn about a neighborhood's historical and current housing- and development-related concerns.
2. Prior to submitting an application for funding:
 - Notify neighbors within at least 500 feet of the site using a written notice, letter or flyer. Include basic information about the sponsor organization and proposed project (e.g., estimated schedule, contact person, and neighborhood organizations that have also been notified about the project).
 - Identify neighborhood and community organizations by contacting the Neighborhood District Council. Contact those organizations and take steps to provide them with updated information about the project, including final site selection, schedule, and proposal for ongoing communication with the neighborhood.
3. Every application must include a plan for maintaining ongoing communication with immediate neighbors and the neighborhood and community organizations throughout the project's pre-development, design and construction phases. (For example, the ongoing community relations

plan may include presentations at regularly scheduled neighborhood organization meetings, invitation to a meeting hosted by the housing developer, formation of an advisory committee, and/or regular project updates in neighborhood organization publications or posted at local libraries, community centers, etc.) Information the housing developer should consider sharing at meetings includes the following, to the extent that it does not compromise the safety, confidentiality or well-being of the residents:

- Experience as a housing developer and manager; provide names and addresses of other affordable housing projects;
 - Description of targeted population of the housing;
 - Information about property management and support services, if applicable;
 - Mechanisms for communication between the housing developer and neighbors, including 24-hour contact person and number if possible;
 - Estimated schedule for construction and completion; and
 - Opportunities for neighbors to provide input on the project (e.g., names of interested neighborhood organizations and how to contact them; community advisory committee).
1. For rental housing developments, once the housing is operational:
 - Invite neighborhood and community organizations and neighbors to project open houses.
 - Establish ongoing communication with neighborhood organizations and neighboring residents and businesses. Promptly address emerging issues and share successes.
 - Keep the City apprised of any issues.

B. Guidelines for neighbors

1. Encourage housing developers and residents to be active members of the community. Invite them to neighborhood meetings and events. Build a foundation for long-lasting, positive relationship.
2. Communicate concerns about design, operation and management of a project. Work collaboratively with housing developers and/or residents to identify ways to address those concerns.
3. Neighbors may want to consider negotiating a community relations plan with the housing developer if it turns out that clarity of understanding is difficult to reach verbally.
4. Make sure housing developers and/or residents know what is working well.

RELOCATION, DISPLACEMENT, AND REAL PROPERTY ACQUISITION

Development of affordable rental and homeownership housing, and acquisition of property for such development, must minimize displacement of households. Any temporary relocation or permanent displacement of households must comply with all applicable provisions of law and fund source requirements, including without limitation (a) Seattle Municipal Code 20.84–Relocation Assistance; (b) the City’s Just Cause Eviction Ordinance; and (c) for projects using federal funds, the federal Uniform Relocation Act (URA), section 104(d) of the Housing and Community Development Act of 1974, the City’s

Residential Antidisplacement and Relocation Assistance Plan (RARAP), and any other relocation regulations and handbooks applicable to the particular funding program. This policy does not apply to acquisition of owner-occupied or vacant homes by homebuyers using Homeownership Program assistance, unless required by applicable laws or regulations.

These policies, laws and regulations contain, among other requirements, different timelines under which households must be given various notices and provided financial assistance under certain circumstances. Consultation with OH staff prior to submission of applications for funding is required for any applicant whose project will involve acquisition, demolition, rehabilitation, or temporary or permanent relocation activities. In order to reduce the risk of impairing eligibility for funding, applicants should not take any action regarding these activities prior to consultation with OH staff. Applicants are responsible for assuring and documenting compliance.

AFFIRMATIVE MARKETING

Sponsors are required to affirmatively market vacant units. Sponsors must use marketing methods designed to reach persons from all segments of the community, including minorities, persons of color and persons with disabilities. In addition, sponsors of rental housing projects are strongly encouraged to inform providers of emergency shelters and transitional housing about their projects and to promote access to households ready to move into permanent housing. Sponsors will be required to maintain records of their affirmative marketing efforts and to report annually to OH on those efforts. Sponsors of funding for transitional housing will be required to develop processes to assure that homeless individuals or families coming out of emergency shelters have equal access to transitional housing projects as people coming from other places.

FAIR CONTRACTING PRACTICES, WMBE UTILIZATION, AND SECTION 3

Sponsors must comply with the City's Fair Contracting Practices Ordinance. Sponsors and their general contractors shall be encouraged to take actions, consistent with that ordinance, which would increase opportunities for women and minority business enterprises (WMBE). A combined WMBE aspirational goal of 14% of the total construction and other contracted services contracts shall apply for all affordable rental housing capital projects funded by OH. OH shall encourage additional efforts to increase WMBE participation including mentoring programs and participation in apprenticeship and other training opportunities.

In addition, projects that are awarded federal funds must comply with applicable regulations under Section 3 of the Housing and Urban Development Act of 1968, as amended, which is intended to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide opportunities to low-income persons. Borrowers and their contractors on projects covered under Section 3 regulations must develop

a Section 3 plan stating numerical goals for contracting and hiring that meet federal targets as well as a description of the efforts they will make to achieve these goals. OH will provide connections to agencies serving Section 3 businesses and workers to assist in these efforts.