



Seattle Housing Strategy



What we've done so far

Optimized investments in affordable housing

- Seattle Housing Levy and other City Sources: from 2005-2012 \$157M was invested to help develop 3,671 rental units; an additional \$31M assisted 620 first-time homebuyers
- Since the programs inception in 1998, 2,460 rent- and income-restricted units have been approved for the Multi-Family Tax Exemption
- In cooperation with SHA, approved a plan for major redevelopment of Yesler Terrace, leveraging \$30 million in federal funding. Existing housing units available to very low income families will be replaced, and a total of up to 5,000 units of housing will be developed to serve a wide range of income levels.
- Broadened the use of incentive zoning for affordable workforce housing beyond downtown
 - o Since 2010, seven new market-rate midrise apartments have incorporated affordable units
 - o Fee-in-lieu contributions total \$25 million since July, 2001



Made publicly owned land available for housing

- Provided city-owned land or worked with other government partners to make land available for several affordable housing projects:
 - o The Jefferson – 12th & Jefferson in First Hill/Squire Park
 - o 12th Avenue Arts – 12th & Pine in Capitol Hill
 - o Pontedera Condominiums and Hiawatha Lofts – near Rainier & Dearborn
 - o Fremont Solstice – near 36th & Stone Way in Fremont



Reduced the cost of developing new housing

- Developed Regulatory Reform legislation, passed by City Council, which streamlines regulatory requirements and adds flexibility for developers, home owners, and small business entrepreneurs.
 - o Streamline environmental requirements in Urban Centers and station areas
 - o Provide greater ability to mix residential uses in the ground floor of commercial zones
 - o Expand opportunities for accessory dwelling units such as backyard cottages
 - o More flexibility for home-based businesses
 - o Easier permit renewals for temporary uses
- Supported major update of Multi-Family Code (adopted in 2011) that included reduction in parking requirements and other incentives for affordable housing.



Fostered an adequate and diverse supply of housing

- Enabled and encouraged the creation of affordable infill housing:
 - o Over 500 mother-in-law apartments and backyard cottages have been created since 2005
 - o More than 1,000 rooms have been built or permitted as a part of 24 micro-housing projects since 2008.
- Implemented new zoning in light rail neighborhoods from Othello to North Beacon Hill to provide incentives for redevelopment of station areas into thriving mixed use centers close to transit, housing and goods and services.
- Negotiated an agreement with Sound Transit to govern the redevelopment of Sound Transit properties at the Broadway Light Rail Station, including a community responsive design, ensuring at least 36% of the total units are affordable, and appropriate urban design.
- Community planning is underway in several neighborhoods: Mount Baker, Rainier Beach, Capitol Hill, University District, Northgate, Broadview/Haller Lake/Bitter Lake, I-5 Light Rail Station, and Lake City Way. These plans will help to ensure that affordable housing will be a component of future redevelopment in these transit neighborhoods. This is a key strategy for providing housing with excellent transit access, which can significantly reduce the cost of getting around for low income families.

- Rezoned parts of South Downtown neighborhoods in and around the Pioneer Square and Chinatown/International District, in accordance with the Livable South Downtown Executive Recommendations. This included provisions encouraging residential development and job creation, addressing historic preservation, new open spaces, building form, street designs, and small businesses.
- Developed new zoning standards and streamlined approval process for a long-awaited major mixed use development on the North Lot of Century Link Stadium.
- Completed urban design frameworks and rezoning for several neighborhoods including Roosevelt, and West Seattle Triangle.
- Delivered legislation to Council to rezone South Lake Union consistent with the Urban Center Plan for the area. The legislation:
 - o Allows for the creation of 12,000 new housing units and 22,000 jobs in the area.
 - o Leverages the zoning change to provide \$45M in new financing for affordable housing and \$25M for local infrastructure improvements.
 - o Helps preserve 25,000 acres of regional farms and forests through a Transfer of Development Rights.
- Won federal Housing and Urban Development grant to implement the “Community Cornerstones” program, focused on stabilizing and enhancing local businesses in the Rainier Valley, forming a TOD loan fund to support affordable housing, and creating a multi-cultural community center to serve the Rainier Valley and Beacon Hill neighborhoods’ many immigrant and refugee communities. Grant funds are matched by \$5.9 million in public and private funds.

*“2012 brought some of the most favorable economic news we’ve seen in Seattle since the Great Recession began in 2007. Seattle’s diverse economy is **outperforming the region, the state, and the country** in our rate of job growth and our retail sales. This positive news is a testament to the hard work and creative thinking of Seattle residents and businesses.”*

-Seattle Mayor Mike McGinn



People young and old want to live in Seattle.

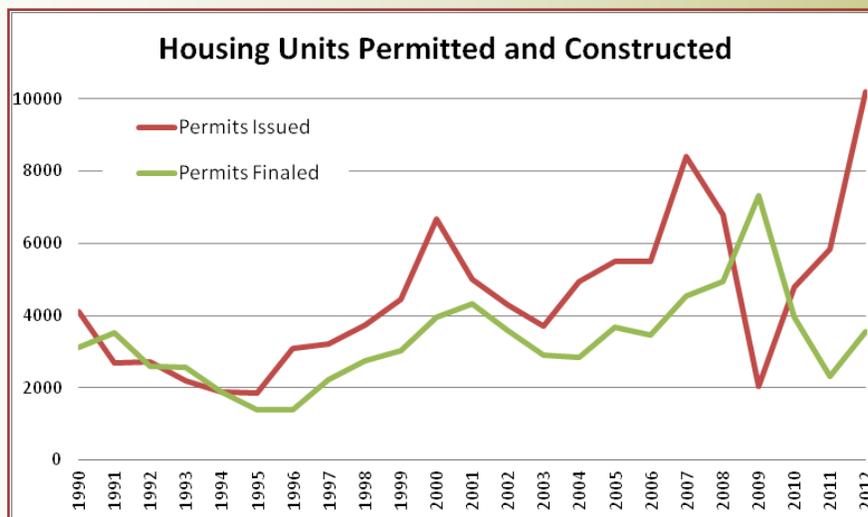
77% of Millennials want to live in an urban core¹ and Seattle is ranked as the best city nationwide for young professionals.² At the same time, more baby boomers are looking to move into cities where they have easy access to shopping transit, medical facilities and other amenities.³

Seattle is adding jobs. . .

Seattle is the #1 city for tech jobs in the country.⁴ Seattle is the #4 city for overall job creation.⁵ Based on current trends, Seattle expects to add 115,000 jobs in the next 20 years.

Job growth and the desire to live in the city is driving demand for additional housing.

23,335 units have been added since 2005. 70,000 more housing units are projected to be built in the next 20 years, which would continue the average pace of development we've seen between 2005 and today.



With the economy turning around, home prices on the rebound, and the development market returning, we need to work even harder to help ensure everyone who works in Seattle has the option to live here as well.

¹RCLCO Consumer Research, 2011

²Business Insider: <http://www.businessinsider.com/the-best-city-for-young-professionals-to-thrive-2012-5>

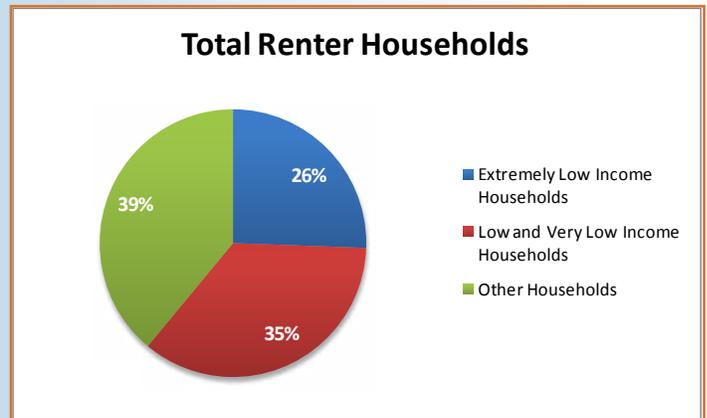
³Grist: <http://grist.org/news/more-boomers-looking-to-retire-to-cities/>

⁴Forbes: <http://www.forbes.com/pictures/edgl45edji/no-1-seattle-tacoma-bellevue/#gallerycontent>

⁵CBS News: http://www.cbsnews.com/2300-500395_162-10013524-8.html

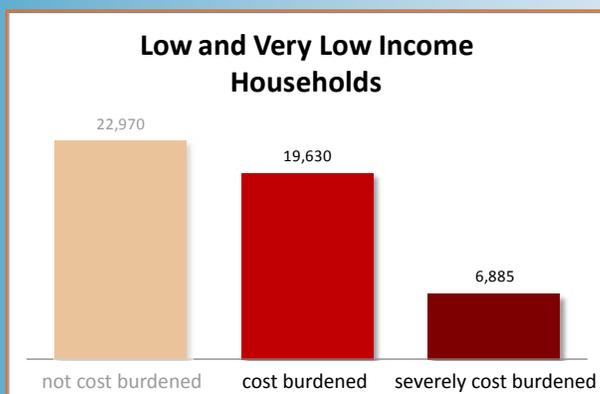
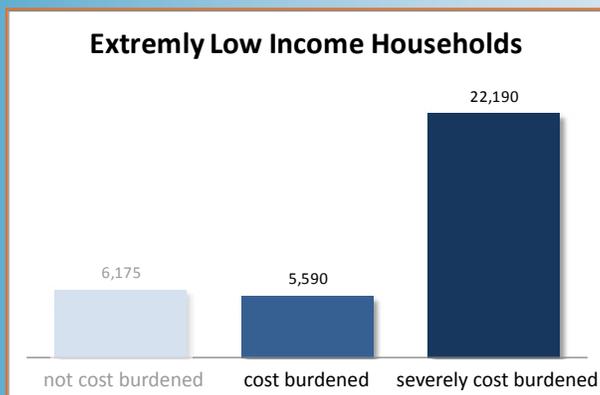
This is an objective we're already struggling to achieve. . .

As lower-income renters look for housing, they must compete with higher income households seeking homes in the same price range. Many low income families will be pushed into paying too much of their income for rent, a trend which will continue unless we add more housing, especially at more affordable price points.



We need both public and private solutions.

Over the last several years, roughly half of the affordable income-restricted units were created with the use of subsidies, like the city's housing levy. These units primarily serve extremely low income households and will remain affordable for 50 years. The other half of the affordable units were created by the private development market, often with incentives like the multi-family tax exemption, a modest subsidy that ensures affordability for up to 12 years. These units provide an important diversity of housing choices for our City's lower-wage workers.



54,000 low income, cost burdened households

Seattle Housing Strategy:

Next Steps

1) Optimize investments in affordable housing

- Continue direct investment by renewing the Seattle Housing Levy in 2016
- Strengthen the Multi-Family Tax Exemption program
- Revise the affordable housing zoning incentives city-wide, including adjusting the fee-in-lieu formula

2) Make publicly owned land available for housing

- Continue to identify opportunities to use City-owned properties for affordable housing, engaging neighboring communities early in the development process.
- Work with partner agencies to utilize other public property for housing, including transit oriented development work with Sound Transit.

3) Reduce the cost of developing new housing

- Continue further improvements to the permitting process by better aligning processes across City departments
- Encourage more sustainable housing development that qualifies for the Priority Green Expedited or Facilitated review and permitting processes and expand this program to include upgrades to existing housing.
- Identify strategies to reduce or eliminate redundant or unnecessary processes or requirements

4) Foster an adequate and diverse supply of housing

- Encourage compact development near frequent transit as we work with neighborhoods to consider station area plans, urban design frameworks, and zoning proposals
- Explore options for encouraging a wider variety of housing types, particularly to address affordability and family housing.