

Seattle Neighborhood Workshops
Alaska Junction Q & A SESSION
January 26, 2017

Q&A Session Description

After a presentation by Brennon Staley of the City’s Office of Planning and Community Development (OPCD), workshop participants submitted written questions. Facilitator John Howell read questions aloud, grouping some similar questions. Mr. Staley provided responses.

There was not enough time at the workshop to address all the questions submitted. The City staff committed to answer the written questions, post the answers online, and email the web link to everyone who had signed in at the workshop. (See the separate document entitled, “Alaska Junction: Responses to Written Questions.”)

The remainder of this document provides the responses given at the workshop with some additional information added for clarification.

Questions and Answers at the Workshop

1. What has been the public process to date and why are we just hearing about this now?

There have been multiple phases of public process. There was a meeting in this neighborhood in 2014 that broadly looked at housing affordability issues and one in 2016 to talk about principles for implementing MHA. Following up on the HALA recommendations, the City put together focus groups of 120 people from across the city, including four or five from Alaska Junction. In the fall, there was a mailing to the property owners potentially affected by the changes. Now that there is a more specific proposal, we are conducting the multiple citywide open houses as well as Urban Village Community Design Workshops in the affected Urban Villages, including this one.

2. How will the City prevent single-family homeowners from displacement by increased property taxes?

The King County Assessor determines property taxes by multiplying a citywide tax rate by the assessed value of a property. The assessed value is essentially the Assessor’s estimate of how much a property could sell for. If the Assessor’s determines in the future that the value of additional development capacity, along with the cost of MHA requirements, has significantly increased the overall value of your property, then your property taxes would go up as well. Economic analysis suggests that value of the additional capacity and the cost of MHA are generally offsetting on most sites, but it is possible that value could increase in many cases. This change would not, however, happen automatically when a zoning change occurs. A property’s assessed value increases only if there is evidence that the value of properties with similar zoning and location has increased.

A study of property assessments after a 2011 rezone near the proposed site of the Roosevelt Light Rail Station provides some clues about how property values could potentially change under MHA. In that

area, a number of parcels were rezoned from Single Family to Lowrise 3 (allowing four-story apartments) and Midrise (allowing six-story apartments) without the implementation of MHA requirements. A comparison of these parcels to adjacent single-family parcels that were not rezoned showed no change in property assessments or taxes for the rezoned properties in the first three years following the zoning changes. In the fourth and fifth year, after groundbreaking of several large Midrise multifamily apartment buildings, property values for the Midrise-zoned properties increased while the Lowrise-zoned properties continue to show no difference from the single-family zoned areas. Even in the extreme case of a rezone from single-family to Midrise adjacent to the light rail station *without* MHA requirements, the increase in property assessment was roughly 25 percent.

Property taxes, excluding publicly approved levies, are also subject to regulations that limit the total increase in taxes within a City to one percent annually, with some limited exceptions. If, for example, all properties in the City increased in value by exactly 10 percent, tax rate would have to go down such that the total property taxes collected would only go up by one percent. As MHA is proposed to be implemented citywide, this rule will limit the potential increase in property taxes.

Senior citizens and the disabled on limited incomes are also eligible for exemption from paying some property taxes, depending on their income levels. More information is available [here](#).

3. We have apartment saturation now. Why rezone? Is the city colluding with large real estate companies to rezone so owners in single family areas can't sell to anyone but them?

The development cycle goes up and down. In the long term, there is a significant need for apartments even though we're currently in a period of high development. Single-family homeowners will continue to be able to sell to whomever they choose.

4. Since there is affordable housing citywide, why is the solution sought only in a few places?

This is a citywide program and will apply to multifamily and commercial development throughout the City. We are specifically focusing on zoning in urban villages as these areas have been identified in the City's Comprehensive Plan as being most appropriate for growth.

Audience comment: The Junction Neighborhood Plan said we wanted to stay a single family zone here.

5. Why discuss expansion and redevelopment now without knowing how and where the new Sound Transit light rail will be located?

MHA is citywide in places that do and don't have light rail, but have frequent transit with good connections. Alaska Junction has a higher level of transit than many other places in the city based on the number and frequency of routes. We know that the light rail station will be located within the transit corridor that already exists. Since this proposal focuses growth in this area, it will support the light rail system regardless of the exact location. The capacity increase proposed for Alaska Junction is not as great as what is being proposed in areas that are getting light rail more quickly. It may make sense to revisit zoning once the station location is known to consider whether/when additional increases are warranted.

6. The current infrastructure is insufficient for our needs today. How will it be improved for the projected additional population?

While it is not possible to adequately describe all the planning that is going on, I will summarize some of the work that is being undertaken.

- **Water and electric:** These utilities conduct annual planning that looks 20 years ahead. OPCD is working closely with them. They have said they think the infrastructure will be sufficient. The Environmental Impact Statement (EIS) that is being conducted as part of this effort will also look closely at infrastructure needs.
- **Transit:** King County Metro’s Long-Range Plan is for the next 25 years. They are continuing to increase transit service as the City grows. A growing City actually helps to generate the ridership that is necessary to fund a denser and more frequent transit network. They are also commenting on the MHA proposals.
- **Roads:** The Move Seattle Plan and Transportation Levy provide the vision and funding to address future needs.
- **Schools:** OPCD is working with Seattle Public Schools. They are working on plans for the next school levy. The school district does have significant needs although these needs are driven primarily by demographic change rather than new development. West Seattle has a lot more children now than in recent years.
- **Hospitals:** This is a complex field. While we work closely with individual hospitals, OPCD doesn’t currently engage in planning a regional system.

7. Are all Single Family (SF) areas changing to Residential Small Lot (RSL)?

About 65 percent of the city is zoned SF today. This proposal would change about 5 percent of that amount. Most of these areas would change to RSL, but some would also change to LR1, LR2, and in limited cases, LR3.

8. [Follow-up question] Is that equitable?

The Comprehensive Plan suggests that growth should primarily be near transit and amenities. By locating zoning changes in these areas, we can ensure that more people have access to these amenities and encourage transit use, biking and walking.

9. Why do developers have an opt-out for MHA? Why not make them develop locally?

Developers do not have an opt-out option, but they can choose the payment or performance option. The program is designed such that both options will be about the same cost to the developer in order to get a mix of payment and performance. Both options have benefits. With the payment option, the city can use the MHA fees to create two to three times the affordable housing that a developer can do, and can create housing that includes wrap-around services. With the performance option a developer will provide affordable units onsite at the same time that development is occurring.

10. [Follow-up question] What is the MHA requirement for developers?

In Alaska Junction, the standard requirements are either to build 6 percent of the units as affordable units or to pay \$13.25 per square foot of development. In areas with larger increases in capacity, the requirement is either to build 9 percent of the units as affordable units or to pay \$20.00 per square foot of development. This is a one-time charge. To clarify, there hasn't been any housing from MHA yet because it is still a proposal.

11. Can this program help provide housing for the homeless?

Homelessness is a related problem, but only a part of the problem is the cost of housing. While money received from the payment option can help to build housing that homeless people live in, housing for the homeless will need additional operational funding to provide wraparound services.

12. Is there any supportive housing or permanent supportive housing in the MHA program?

The Office of Housing has a broad strategy related to supportive housing. It is possible that some funding from the MHA program might contribute, but this is not the main focus of MHA.

13. Since Alaska Junction has grown a lot in the past few years, are there options to shift growth somewhere else?

Ultimately, it is important that we apply MHA in neighborhoods that are growing because we want to make sure that that growth contributes to affordability. With that said, we are looking for feedback about how it is implemented in different neighborhoods.

14. What will the City Council and OPCD do with our feedback?

The staff will compile the input from this workshop and provide a report online. We are also compiling feedback from the big open houses we are holding and posting that online, as well. We are in listening mode now and will be until June 30th. Then we will make changes in the plans and maps before transmitting legislation to Council. As part of the Council's discussion of the proposal, there will be another round of outreach and opportunity for public review and comment.

15. Why not update the maps sooner to reflect what you're hearing in the current workshops?

We are purposely holding back on producing revised maps to avoid getting comments on different versions of a map at the same time.

16. Discuss parking on residential streets and in Alaska Junction.

We know that parking is a concern. Currently there is no minimum or maximum requirement for parking in developments in urban centers and villages, but most developments include parking. Over the last four years, 87 percent of new units were in buildings that provided parking. In buildings that did provide parking, they averaged three parking spaces for every four units. The EIS will look at the impact of development on parking. Keep in mind that parking affects costs, which then affects rent.

17. Why is the proposal to expand the Urban Village only to the south, when there are many areas west and north that are also within a 10-minute walk to transit?

We would love to get your feedback on this. The proposal currently includes the 10-minute walkshed from the transit corridor running down Alaska between California and Fauntleroy. The walkshed considers the steep slopes which may be why it appears to include more areas on the south.

18. What would stop a developer from building a large building for an Air B&B?

Today there are limited restrictions on short term rentals including Air B&B. This is another topic the City Council is considering. (More information on this topic is available at:

www.seattle.gov/council/issues/regulating-short-term-rentals)

19. Is there any guarantee that any affordable housing will be built within West Seattle?

One of the goals of MHA is to provide affordable housing throughout the City. One of the five principles for spending revenue generated through MHA is that affordable housing should be built in areas that generate revenue through the program. There is no guarantee that the revenue spent in any individual neighborhood will be greater or less than the amount generated through MHA, but the idea is that over time all neighborhoods that generate revenue will have affordable housing.

The Office of Housing has quite a few affordable housing developments in West Seattle. High Point is one example of significant investment. We can share a map of the sites.

20. Alaska Junction is already 300 percent over the 1999 growth plan, and not all the properties are built. Why the enlargement?

The City's Comprehensive Plan established 20-year growth estimates in 1994 and 2004. I'm guessing that you are referring to the estimates produced in 1994. These estimates were intended to guide planning by estimating expected growth, but were not intended to indicate the ideal amount of growth that would occur in any urban village. Estimating the amount of housing that is likely to happen in any specific neighborhood over 20 years is obviously very difficult.

The basic goal of the MHA program is to produce affordable housing throughout the city. As we look forward to the next twenty years, we want to make sure that future development in Alaska Junction, which is likely to occur regardless of whether MHA is implemented, contributes to affordable housing. We also want to make sure there is sufficient zoning to accommodate a diversity of housing types and to address the need for additional supply.

21. What's the city's plan for rent control?

The Council has discussed this subject multiple times in the past and has chosen not to implement rent control beyond the limited restriction that we already have in place. In general, the Council felt that rent control would be counterproductive because it often results in landlords raising the rents for new tenants to offset the lower rents for tenants that have been in the building for a while.

22. Is HALA binding on all developers? Can't they sue to get out of it?

HALA is a plan with 65 recommendations. The Mandatory Housing Affordability proposal would be mandatory for all developers where it is implemented. People are allowed to bring lawsuits against any law that they feel violates the constitution or other laws, however, we feel this program meets these requirements and would stand up to any lawsuit that might be brought.

23. Are detached accessory dwelling units (DADUs) subject to the fee?

This is still an open question. We would like your feedback.

24. How do you justify the change from SF to Lowrise 3 (LR3)? This is four jumps up.

This change is being proposed in a very limited number of areas where single family is currently next to zones that could currently have 6-story buildings and would be allowed to have 7-story buildings. Lowrise 3 would allow for 4- or 5-story apartments, which would allow for a transition between 7-story buildings and adjacent lower-density zones.

25. We should add parks, trails, and green space. The golf course shouldn't count as green space, so there is already not enough green space for the size of the population.

Seattle Parks and Recreation is currently updating its development plan and looking for areas needing green space, including in Urban Villages. OPCD is working with them. Parks has identified West Seattle as an area for new investments as it grows. Parks does not count golf courses as green space as part of their planning.

Seattle Neighborhood Workshops
ALASKA JUNCTION: RESPONSES TO WRITTEN QUESTIONS
From the Workshop Held on January 26, 2017

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Participants at the Alaska Junction Urban Village Community Design Workshop had the opportunity to write questions on a half-sheet of paper for response by City staff presenters at the workshop. Participants turned in a total of 107 forms, some asking multiple questions. The staff answered 25 questions at the meeting. (See the separate document entitled, “Alaska Junction Q & A Session.”) This document provides responses to the questions that staff did not have time to answer at the meeting. If a question was asked and answered at the meeting, it has not been included in this summary.

The following summarizes the questions, grouped into categories, and provides responses from City staff.

1. MHA Program

1.1 Questions on how much affordable housing is needed

To address the housing affordability crisis, Seattle must build a substantial amount of both market-rate housing, in order to reduce competition for housing and slow rent increases, and rent- and income-restricted affordable housing, in order to provide housing for people whom market-rate housing doesn’t serve. Numerous studies have found that both strategies are necessary to address affordability overall. By implementing zoning changes and affordable housing requirements at the same time, we can substantially increase our supply of affordable housing without affecting the critical supply of market-rate housing.

The overall HALA goal is 20,000 affordable housing units over the next 10 years, to be achieved by the 60+ HALA recommended actions. The goal for MHA is 6,000 affordable housing units over 10 years, which represent a significant portion of the 20,000 unit goal.

1.2 Questions on why the MHA program is needed

Without putting the MHA program in place, new development would not contribute to affordable housing. Mandatory Housing Affordability is a new requirement for developers of new commercial and multi-family residential development to either include affordable housing as part of their development, or make a payment to support affordable housing in Seattle. In exchange for creating affordable housing, developers will be able to access additional zoning capacity. Other cities within the region such as Issaquah, Kirkland, and Federal Way have already begun to use this program to address affordable housing needs. MHA, when adopted, would increase the size of allowable development and include an affordable housing requirement.

MHA will ensure that new affordable housing dedicated to households with lower incomes is created as the City continues to grow. MHA will create an estimated 6,000 net new units of affordable housing over 10 years for households with incomes no higher than 60% of the area median income (AMI) -- \$38,000 for an individual and \$54,000 for a family of 4. Current monthly market-rate rents for a one-bedroom apartment in new buildings average \$1,989. Currently, an individual with an income equal to or less than 60 percent of AMI would pay \$1,009 for that same apartment.

The conversation on how this program could work in Seattle as well as any changes in zoning is just beginning. The community has a real opportunity to help shape MHA and the related zoning changes that will be discussed and ultimately approved by City Council, in early 2017 for the University District, Downtown, and South Lake Union, and later in 2017 for the rest of the city.

1.3 Questions on why zoning changes are needed if there is already more than enough development capacity

For Seattle as a whole, there is theoretical zoning capacity for approximately 220,000 more housing units. However, this theoretical capacity does not consider whether the properties are located in areas where there is a market for development at existing prices, whether this zoning would provide the types of housing (apartments vs. townhouse vs. cottages) that people desire, or the cost of developing these parcels. Existing zoning tends to allow mostly large apartment buildings or single-family homes with few options for lower-cost, family-sized housing. Additionally, since lower-cost parcels tend to be developed first, a decreasing amount of development capacity means that developers must pay more for new land, further contributing to the rising cost of housing.

Additionally, new development is not currently required to contribute to affordable housing. Making zoning changes allows us to put a new affordable housing requirement in place through MHA and expands housing options in our urban villages, walkable places that offer transit, services, amenities, and jobs.

To implement MHA requirements, we are proposing zoning changes that add development capacity everywhere that the new affordable housing requirements will apply. This additional capacity — often

one more story than what someone could build today — helps to partially offset the cost of the affordable housing requirement. In this proposal, additional zoning capacity is necessary to ensure the city's future growth addresses our critical housing affordability needs. Commercial and multifamily development in areas where development capacity is not increased will not have the mandatory affordable housing requirement.

1.4 Questions on how MHA will work to increase affordable housing, and on the performance and payment options

Under MHA, developers will have the option to perform (include affordable units in the development) or pay into a fund for the Office of Housing to create affordable units. The MHA performance and payment options both offer benefits to help us achieve our affordable housing objectives. Under the performance option, rent-restricted homes become available when a new building opens and are part of a mixed-income building.

Under the payment (in lieu) option, the Office of Housing leverages other funding sources to produce two to three times more affordable housing overall compared to projects choosing performance. The Office of Housing has a 35-year track-record of investing local and federal funds, including incentive zoning in-lieu payments, to meet a range of strategic goals for affordable housing. Additionally, we can use MHA payment funds to preserve *existing* affordable housing, to build affordable family-size homes of which the market produces very few, to invest in affordable housing options where displacement risk is a concern, and to expand affordable housing options in neighborhoods with high opportunity and high housing costs.

1.5 Questions on equity in location and using MHA in areas outside Urban Villages

One of our core MHA principles is to implement MHA requirements for new development in existing multifamily and commercial zones and in our urban villages, with a few limited exceptions for specific circumstances, such as National Historic Register Districts. This includes areas outside of Urban Villages that are currently zoned multifamily and commercial.

1.6 Questions on the potential for MHA to result in displacement of owners and renters

MHA is an important tool for addressing displacement in Seattle. It provides an opportunity to slow the rate of displacement by creating 6,000 new affordable housing units over 10 years and by accommodating more market-rate housing on parcels that are ready to redevelop. Together, these actions will provide additional housing for low-income households and increase the overall supply of housing.

In the City's analysis of the U District and Downtown/South Lake Union zoning legislation, it found that the proposal would substantially reduce the risk of displacement in these areas due to the increase in affordable and market-rate housing. The City is currently in the process of conducting this analysis for the zone-wide changes as part of our Environmental Impact Statement (EIS) process and will use this analysis to inform the final proposal.

It is important to remember that displacement is occurring today due primarily to rent increases in the market because of high demand for housing, and there is currently no guarantee that any new housing built is affordable. With MHA, there is an assurance that some of the new housing built will be affordable or contribute to housing affordability.

1.7 Questions on the definition of the 10-minute walkshed and whether it takes into account steep slope areas

The 10-minute walkshed was calculated using a geographic information systems (GIS) analysis tool. It is meant to measure the actual amount of time it would take an average person to walk along streets to reach a destination. The model considers steep slopes.

1.8 Question on safety for children on playgrounds and parks next to high-density population areas

Safety experts generally suggest that the presence of additional people increases the safety of public spaces such as playgrounds and parks.

1.9 Question on the number of houses allowed in a 6,000 square foot lot in an RSL zone

The proposal for RSL zone is to allow 1 unit per 2,000 square feet of lot area. Consequently, a 6,000 square foot lot could accommodate three units.

1.10 Question on the change in height in the LR1 zone with MHA

The current proposal would not change the allowed height in LR1 zones. The allowed height is 30 feet today (which generally allows 3 stories) and it proposed to stay as 30 feet.

1.11 Question on oversight of MHA

Any building that is constructed would have to go through the normal permitting process, including land use permitting, design review for most larger projects, and building permits. The required affordable housing that is produced is monitored by the City's Office of Housing annually to ensure rents are at an affordable level, and that an eligible low income household occupies the unit.

2. Specifics of the Alaska Junction Zoning Proposal

2.1 Questions on the need for more density in Alaska Junction when there have been a lot of apartments built recently

Seattle has been growing significantly over the last 10 years and is projected to continue to grow over the next 20 years. Current market development is helping to slow the increases in housing cost that we have been seeing, but it will not be sufficient to address future growth. Consequently, it is also important to look forward to ensure we continue to produce sufficient market-rate and affordable housing to address affordability. Additionally, without MHA, future development will not contribute to affordable housing. Providing additional development capacity is necessary to implement this program.

2.2 Questions on the number of affordable units to be built in West Seattle

We expect that the Alaska Junction neighborhood will generate about 400 new affordable housing units over twenty years. Other affordable housing programs may also contribute to greater affordability in West Seattle.

2.3 Questions on why MHA would change single family in West Seattle and other Urban Villages

The draft MHA implementation maps for Alaska Junction and all other urban villages were created based on a set of principles that were developed with public input. One of the foundational MHA implementation Principles is that areas within urban villages (including single family zoned areas) should be considered for MHA. Urban Villages are planned as locations for priority investment in assets and infrastructure, and are expected to receive much of the city's new growth. Additionally, these changes will allow for a greater diversity of housing options beyond large apartments and single-family homes.

Zoning changes from single family to other zones require more discretion and choice, because adding one additional story would not allow for additional housing units (as it would in an existing multifamily or commercial zone). Application of a mix of Residential Small Lot (RSL), and Lowrise (LR) zones is anticipated for areas changing from Single Family to allow additional housing. Principles statements that support application of a Lowrise zoning designation instead of RSL include:

- Consider locating more housing near neighborhood assets and infrastructure such as parks, schools and transit.
- Plan for transitions between high- and lower-scale zones as additional development capacity is accommodated.

2.4 Question why the Urban Village boundaries are not expanded to include other areas in the Junction on the west and north and within a 10-minute walk of transit

The Urban Village boundary is proposed to be expanded to include all areas within a 10-minute walkshed from the intersection of Alaska Way and Fauntleroy, not from all areas with frequent transit service. We are looking for feedback on this approach. The walkshed calculation considers topography so the walkshed distance is shorter in areas with significant hills. Expanding the Urban Village boundary to include all areas within a 10-minute walk of frequent transit would likely result in expanding the boundary to the west, but not to the north or south.

3. Affordable Housing

3.1 Questions on how HALA defines affordability

Housing is considered affordable to a household if it costs no more than 30% of a household's income. Household income is typically shown as a percentage of the Area Median Income (AMI). AMI is the dollar amount where half the population earns less and half earns more. This amount is different in different regions. The chart below shows the range of incomes for the Seattle area based on family size.

HALA established a goal of creating 20,000 units that would be restricted to households with low incomes, at affordable rents or sale prices. Most programs proposed as part of HALA are targeted at serving households with incomes up to 30%, 60%, or 80% of AMI. Affordable units produced through MHA would serve households up to 60% AMI for rental housing and up to 80% AMI for ownership housing.

Income Limits (2015)								
Income Limit	Household Size							
	1	2	3	4	5	6	7	8
30% of AMI	\$18,850	\$21,550	\$24,250	\$26,900	\$29,100	\$31,200	\$33,360	\$35,490
60% of AMI	\$37,680	\$43,020	\$48,420	\$53,760	\$58,080	\$62,400	\$66,720	\$70,980
80% of AMI	\$50,240	\$57,360	\$64,560	\$71,680	\$77,440	\$83,200	\$88,960	\$94,640

HALA included more than 60 recommended actions to improve affordability. Different actions provide benefit to different income groups and community members. For example, the action to increase the Seattle Housing Levy to \$290 million, approved by more than 70% of Seattle voters in 2016, will provide resources that in large part serve very low income households and households transitioning out of homelessness. Meanwhile, the Multi-Family Tax Exemption (MFTE) program, which was expanded to more areas of the city pursuant to the HALA recommendation, reserves 20% or more units in a new building for persons earning up to the 80%AMI income level. Other actions including strengthening tenant protections, and preventing discrimination based on source of income, serve tenants at a wide variety of income levels.

3.2 Questions on equity and social justice, and the location of housing funded by MHA payments

The Seattle Office of Housing, which will administer in-lieu payments from the Mandatory Housing Affordability program (MHA), has a 35-year track-record of investing local and federal funds, including incentive zoning in-lieu payments, to meet a range of strategic goals for affordable housing.

Equity

Affordable housing built with MHA funds will advance racial and social equity. These investments mitigate displacement by providing stable rents in areas at high risk of displacement, and stimulate economic development in neighborhoods that lack private investment. Affordable housing is typically developed in partnership with community based organizations that plan development around the needs of a community, including providing culturally relevant services or affordable retail space for local businesses. City funds are used to preserve existing at-risk affordable housing, and support critical family-sized units that are not being built by the private market. And, City-funded affordable housing often includes resident service programs and other connections to social services that help individuals and families to thrive.

Quantity

MHA payments will be leveraged 3:1 on average and will attract critical private and public dollars for affordable housing into Seattle. In nearly all zones, MHA payments will yield a greater number of

affordable housing units than would be produced on-site, if the payments support housing at 60% AMI. The Office of Housing has proven its effectiveness in aligning resources to maximize production.

Sustainability

MHA payments will be invested in high quality affordable housing that is built to last. The Office of Housing provides long term stewardship of City-funded housing for 50 years, ensuring it remains affordable and in good condition for generations to come. City-funded affordable housing meets the state-wide Evergreen Sustainable Development Standard, providing significant energy and water savings that benefit the environment and low-income residents over the long-term.

Location

When determining the location of affordable housing funded with MHA payments, the Office of Housing will consider the following factors:

- a. Affirmatively furthering fair housing choice and economic opportunity, and address the needs of communities vulnerable to displacement;
- b. Locating within an urban center or urban village;
- c. Locating in proximity to frequent bus service or current or planned light rail or streetcar stops;
- d. Furthering City policies to promote economic opportunity and community development and addressing the needs of communities vulnerable to displacement; and
- e. Locating near developments that generate cash contributions.

The Office of Housing has a track-record of building affordable housing in neighborhoods throughout Seattle. A 2014 independent analysis of Seattle's Incentive Zoning (IZ) program determined that housing funded with IZ payments is likely to be located in neighborhoods closer to downtown and within close proximity to the properties that provided the payments, not highly concentrated in one neighborhood. The report concluded that a greater reliance on the on-site production option would not result in a significant change in the geographic distribution of units and that on-site performance units would not be located in neighborhoods of higher economic opportunity.

3.3 Questions on whether affordable housing will be ownership as well as rental housing

HALA supports more affordable and market-rate homeownership housing as well as rental housing. The HALA Advisory Committee recommendations included six recommendations to promote sustainable homeownership, including seeking to remove barriers to condominium development. The City is pursuing removal of barriers for condominium development as part of a State Legislative Agenda to address the State's Condominium Act.

Affordable homeownership is also a part of MHA. When a building satisfies the MHA requirement to build or contribute to affordable housing, it could be done with ownership units as well as rental units. Ownership units would have to be sold at a price point affordable to persons at the eligible AMI level (see Question 3.1, above), and would have to be maintained for that income level for the 75-year term. Additionally, funds generated by MHA through payments could be used to fund affordable homeownership development such as a project by a community land trust.

3.4 Questions on development of family-sized housing

MHA is not expected to provide substantial incentives or disincentives for unit sizes different than what the market is already supporting in new construction.

It is expected that homes produced in the Residential Small Lot (RSL) zone would be family sized units (i.e., 2+ bedrooms and over 1,000 sq. ft.) because of the density limit in the zone. In the Lowrise 1 zone, a new development standard is proposed that would require at least one family-sized unit anytime more than 7 small apartment units are created. It is also expected that much of the infill development in the Lowrise 2 zone would include attached ground-related housing like townhouses or rowhouses that can be a good option for families and larger households.

In addition, the Office of Housing is working hard to create more family-sized housing through their affordable housing programs. Funds that are generated through the MHA payments could be used to fund buildings specifically designed to serve low income families.

3.5 Questions on duplexes, ADUs and DADUs in single family zones

MHA is proposed to apply to existing commercial and multi-family zoned areas and urban villages. There is no current proposal to rezone single family zones outside of urban villages. The HALA committee recommended removing barriers to make Accessory Dwelling Units (ADUs) in all single family zones easier to build. (ADUs and Detached Accessory Dwelling Units [DADUs] are already allowed in all single family zones). While the City took initial steps in 2016 to develop legislation to remove ADU /DADU barriers, that proposal is currently on hold for additional environmental review.

The city does account for accessory units and any known existing multi-family buildings in single family zones in its analysis of housing conditions. Many existing multifamily buildings in single family zones have legally non-conforming status. If an existing “illegal” (unpermitted) apartment is in a single family zone that is rezoned to allow multi-family housing, the unit could be made legal with a permit.

There is an owner-occupancy requirement for lots in Single Family zones where the homeowner adds an ADU or backyard cottage. A homeowner must live either in the principal single-family house or in the accessory dwelling unit for at least six months of the year. Councilmember Mike O’Brien is currently considering changes that could remove barriers to building ADUs and backyard cottages, but it is currently on hold.

3.6 Questions on other strategies for affordability, such as rent control or a citywide tax

Rent control is currently not legal in Washington State. The code section of this prohibition is Revised Code of Washington (RCW) 35.21.830.

HALA includes a broad range of strategies to promote affordability, including strategies for generating resources through taxation. In November of 2016, the residents of Seattle passed a city-wide property tax levy to help pay for affordable housing production. This levy doubled the revenue that was provided through an expiring levy. The City is also asking the state legislature to increase an existing tax on the sale of property (called a Real Estate Excise Tax) in order to provide additional funding for affordable housing.

3.7 Question on limiting Air B&B services in Urban Villages

Council is currently considering how to deal with short-term rentals. More information on their work can be found at: <http://www.seattle.gov/council/issues/regulating-short-term-rentals>.

4. HALA Program and Implementation

4.1 Questions on what HALA is and why it is needed

The Housing Affordability and Livability Agenda (HALA) is a comprehensive and multi-pronged approach to create an affordable and livable city. The HALA recommendations respond to a critical need:

- 40,000 Seattle low-income households spend more than half their income on housing.
- 2,800 people are sleeping on the streets.
- Rents are beyond the reach of many working families. Fewer homes are for sale today than any time in the last 10 years.
- Even with a new \$15 minimum wage, the average rent for a one bedroom apartment is out of reach for a single-person household minimum wage worker.

In September of 2014, Mayor Murray and City Council called together leaders in our community to help develop a bold agenda for increasing the affordability and availability of housing in our city by convening a Housing Affordability and Livability Advisory Committee. The twenty-eight member stakeholder Advisory Committee included renters and homeowners, social justice and labor advocates, for-profit and non-profit developers and other local housing experts. Mayor Murray challenged the committee to establish a plan to create 50,000 new homes, including preservation and production of 20,000 net new affordable homes, over the next 10 years. After months of deliberation, they reached consensus and in July 2015 published a report with 65 recommendations to consider.

Shortly thereafter Mayor Murray published an Action Plan to Address Seattle's Affordability Crisis signaling an intention for the City to carry forward many of the HALA Committee recommendations. This work is ongoing.

The goal of the HALA recommendations and Mayor Murray's action plan is: To create an affordable, livable Seattle.

4.2 Questions on how HALA addresses livability

Over the past several years the Mayor has been working on building a more equitable and livable Seattle. The Mayor has focused on:

- Transportation Investments – Investing in safety and moving more people through our streets in all mode types.
- Parks Investments – Focusing on current park maintenance, better serving communities through culturally appropriate programming, and acquiring new parks.
- Advancing Equity – Through the rise in minimum wage and school achievement both pre-school and while children are in the K-12 system.

The Housing Affordability and Livability Agenda is an essential part of addressing livability as the high cost of housing puts an increasing burden on the people who live here and threatens to displace an increasing number of our residents from Seattle entirely.

4.3 Questions on the need for HALA in the currently booming housing market

A strong economy and a growing population are resulting in a significant increase in demand for new housing. Limited supply of housing has led to significant increase in housing cost as people compete for limited spaces. The development community has responded to this demand and increasing cost by developing new housing. While this new development is being successful in slowing the cost increases, it is not sufficient to fully address our existing demand or the growth that is expected over the next twenty years. There is also a large and growing demand for housing affordable to lower-income households that will not be addressed by new market-rate development. The sooner MHA is put in place, the more the strong market housing production will contribute to housing affordability.

4.4 Questions on using impact fees and other strategies

Impact fees are one-time charges on new development to pay for new public improvements required to serve the new development. Washington State law only allows impact fees to pay for improvements in parks/open space, schools, transportation, and public safety if they are directly associated with the new development. The City of Seattle does not currently charge Impact Fees. The City has looked at this issue numerous times in the past and has chosen not to implement them for many reasons including the impact on the cost of new housing and the challenges of using them in already-developed City.

However, the City is currently in the process of reexamining the possibility of using impact fees as part of a comprehensive strategy for funding key City priorities. The City is currently working with a consultant team to develop options for impact fees to fund transportation and park improvements. We are also working with Seattle Public Schools to start a dialogue about whether school impact fees could play a role in the proposed update of their capital plan.

At the same time, the City is working on multiple initiatives which will impact both the City's approach to funding capital improvements and will make significant contributions to addressing our infrastructure needs. These efforts include the System Development Charges, Street Use Fee Update, and Parks Development Plan as well as implementation of the Move Seattle Transportation Levy and the new Parks District. Over the next two years, we will be working to understand how these initiatives work together and the appropriate role for impact fees in meeting our needs.

4.5 Question on whether homeowners could change or repeal the HALA proposed plan

City is currently conducting considerable public process including mailings, door-to-door canvassing, open houses, charrettes and online forums in order to gather feedback that will help to change the proposal.

5. Neighborhood and Building Design

5.1 Questions on design guidelines, impact of height and maintaining neighborhood character

The proposed MHA implementation zoning standards include new design and development standards, and existing design standards are also retained. The development standards are draft and can be improved based on input.

We have taken steps to seek to improve urban design outcomes based on issues of concern by the community. For example, the proposed MHA zones include new urban design standards that were adopted as part of the Ballard Partnership planning process to improve mixed use buildings. These include an upper level setback and new façade modulation requirements. Other proposed new design standards include requirements for side-facing façade modulation and window placement for privacy in the Lowrise multi-family zones.

When new buildings are built, the city's design review process reviews specific projects designs for compatibility with unique site conditions and neighborhood design guidelines. In the Environmental Impact Statement (EIS), impacts of additional height or scale of buildings due to the zoning changes will be evaluated for their potential impact.

5.2 Questions on how to prevent RSL and multifamily development from blocking sun and privacy to adjacent single family homes

The development standards that are being proposed include height limits, floor area limits, and setback requirements which will help to minimize some of these issues. However, it is likely that the development of new housing still will reduce light access and privacy on some properties.

6. Infrastructure Needs

6.1 Questions on how the city will provide for the utility infrastructure development needed with additional housing

Seattle Public Utilities and Seattle City Light conduct annual planning that looks 20 years ahead. OPCD is working closely with them. These departments have said they think the existing infrastructure system, in combination with planned investments and requirements imposed on new development, will be sufficient to handle expected growth over the next twenty years. However, the City is also undertaking an Environmental Impact Statement (EIS) that will study impacts of this proposal. The Draft EIS is expected in May and there will be a comment period going through June.

6.2 Questions on how the City will provide for parks and open space.

Regarding parks and open space, the Seattle Parks and Recreation Goals for green space, addressing equal access, and other issues are included in the Comprehensive Plan and the Parks Legacy Plan. Actions to meet the goals are codified in the Parks Development Plan, Capital Improvement Program, and the Budget. Seattle Parks and Recreation is currently in the process of updating the Development

Plan. They have been doing extensive mapping of needs considering factors such as the location and accessibility of existing spaces, growth that is expected over the next 20 years, and equity. They are continuing to acquire new parks space to address existing and future needs.

Regarding protecting the tree canopy, the preservation and cultivation of tree canopy is driven by goals in the [Urban Forest Stewardship Plan](#), the work of the Urban Forest Interdepartmental Team, and the work programs of the departments who manage trees: SDOT (street trees), Parks (trees in parks), Seattle City Light (power lines), SPU (natural areas), FAS (City properties), and SDCI (regulations for private property). Each of these organizations continually updates its policies and work plans to make sure that it contributes toward meeting our overall citywide canopy goals. Many regulations also prevent or limit the removal of trees during or outside of development. For more detail, see our [summary of existing regulations for private property](#).

We are currently in the process of updating our canopy cover analysis to understand the changes in canopy cover that are occurring and will be conducting more specific analysis as part of the Environmental Impact Statement for Mandatory Housing Affordability Implementation. More information on trees in Seattle is available at <http://www.seattle.gov/trees/>.

6.3 Questions on the need for additional school capacity

The City of Seattle works closely with the Seattle Public Schools district to support their planning process. Seattle Public Schools is currently in the process of planning for their BEX V levy and associated investment plan. Under their current plan, they are substantially increasing the capacity of their schools in response to increasing need; however, this need is due primarily to demographic changes in existing single-family neighborhoods and the McCleary decision, which has reduced the maximum number of students allowed in each classroom (and thus increased the number of classrooms needed). While recent development has not been a major factor in their capacity issue, we are continuing to work with them to address the issue overall and the impacts of development specifically.

6.4 Questions on transit and transportation needs and planning

The Seattle Department of Transportation, King County Metro, and the Washington State Department of Transportation are continuously planning for current and future transit and transportation needs. Some of the major initiatives that are planned or ongoing include:

- Move Seattle Plan and Levy: The City of Seattle developed a 20-year vision for projects that will be needed to address expected growth and proposed a property tax levy, which was approved by voters last November, to fund these needs. This plan also helped to integrated that four modal plans that help to guide needed growth – Transit Master Plan, Pedestrian Master Plan, Bike Master Plan, and the Freight Master Plan. More information is available at: <http://www.seattle.gov/transportation/moveseattle.htm>.
- Metro-Connects: This 25-year vision for the regional bus transit system was adopted by King County in 2016. More info is available at: <http://metro.kingcounty.gov/planning/long-range-plan/>.

- Sound Transit: In 2016, regional voters approved the third phase of expanding the light rail system which includes service to Delridge and Alaska Junction. More info is available at: <http://soundtransit3.org/>

6.5 Questions on parking needs

Currently, no minimum or maximum parking requirements apply to residential development in most urban villages. Outside of these areas, parking requirements vary based on the use of the building, but for residential uses are generally one space for every unit. Parking minimums were previously removed for urban villages after a study found that a larger portion of the required spaces were not being used and that the parking requirement was adding significantly to the overall cost of housing. Despite the lack of minimum requirements, most developments still provide parking. Over the last four years, 87 percent of new units were in buildings that provided parking. In buildings that did provide parking, they averaged three parking spaces for every four units.

7. Legal Issues

7.1 Questions about the legality of the proposed “in lieu” fees

The proposed MHA program, including the provision that allows for a payment option, is authorized under Washington State Law (RCW.36.70A.540).

7.2 Questions about the effect of possible lawsuits

The city is confident the proposal is legal, and has received close guidance from legal experts in drafting the proposed MHA. If developers sue, the City will defend the legality of the program. We are also exploring the addition of a “clawback” provision in the MHA legislation that would signal the city will take action to remove the zoning capacity increases if the MHA affordable housing provisions are struck down in a court.

8. Comparisons with Other Cities/Places

8.1 Question on how MHA compares to what other cities do

Approximately 500 cities across the country require new development to contribute to affordable housing. These programs vary dramatically in their approach and requirements based on local goals, market conditions, and legal requirements. Below is a summary of key points about the range of programs in other cities:

- The performance set-asides vary widely from 5 percent to 35 percent.
- Target income levels vary widely from 40 percent to 115 percent of area median income (AMI) and typically differ for rental and ownership housing.
- Most programs apply only to residential development.
- Most programs apply to projects of a minimum size, often 10 or more units.

- Many programs, like New York’s and Boston’s, apply in a limited geographic area or to limited types of development.

Within Washington State, there are five cities with mandatory housing affordability requirements for residential development and none with requirements for commercial development. The residential programs generally require that 8-10 percent of total units be set-aside as affordable units for households making 50-80 percent of AMI. Most of these programs apply in limited geographic areas.

A summary of programs in other cities with affordable housing requirements is contained in the [Director’s Report](#) summarizing the residential portion of MHA.

Seattle’s proposed program is generally proposed to require 5-7 percent of units affordable to renter households earning 60 percent AMI in residential developments outside Downtown and South Lake Union (or \$7-18 per square foot), and \$5-8 per square foot in commercial developments. Overall, the proposed program is projected to create more affordable housing than programs in any other similar-sized city due to its intended application on a large geographic scale, and its strategy to create housing through investment of in-lieu payments that leverage other funding.

9. Comprehensive Plan

9.1 Questions on the connection to the Comprehensive Plan

Seattle’s Comprehensive Plan, Seattle 2035, is a 20-year vision and roadmap for Seattle’s future. This plan guides City decisions on where to build new jobs and houses, how to improve our transportation system, and where to make capital investments such as utilities, sidewalks, and libraries. Our Comprehensive Plan is the framework for most of Seattle’s big-picture decisions on how to grow while preserving and improving our neighborhoods.

The Comprehensive Plan, which was updated in 2016, includes numerous goals and policies that support development of the Mandatory Housing Affordability program. This program was envisioned to be part of a larger strategy for meeting the city’s equity goals.

9.2 Questions about connection to the Urban Village Strategy

A foundation of Seattle’s Comprehensive Plan is the urban village strategy. This strategy directs the City to encourage new growth in areas with existing amenities such as frequent transit, retail, parks, schools, and other assets. It also focuses new investments in these growth areas to leverage new growth and ensure that it contributes to more livable neighborhoods. During the recent update of the Comprehensive Plan, the Urban Village boundaries for some of the current Urban Villages, including Alaska Junction, were revisited based on access to transit. Additionally, new policies were adopted that provide more flexibility in accommodating different land uses in urban villages so that additional housing, including affordable housing, can be added.

10. Community Involvement in HALA

10.1 Questions about how the City has been doing outreach and involvement for the MHA proposal and proposed zoning changes

The City has been talking with communities for over a year about this and other HALA proposals. We have been reaching people through a diverse variety of forums including citywide mailings, door-to-door canvassing, online discussions, telephone town halls, citywide open houses, neighborhood charrettes and discussions at neighborhood councils and small groups. Please take a look at the <http://www.seattle.gov/hala/your-thoughts> to see where we have been and a snapshot of what we have heard.

The City has also been working with community focus groups. See Question 10.2 below.

10.2. Questions about how the community focus group members were chosen

The community focus groups had an application process. We received over 600 applications to participate and accepted 160. The HALA Community Focus Group selection committee consisted of five members, one each from the Department of Neighborhoods and Office of Housing and three from the Office of Planning and Community Development. The sequence of the selection process was as follows:

1. The committee met to review applicants using the **selection principles** aiming to include a diverse grouping of people from each urban village.
2. Aside from name, address, and contact information, **all other applicant characteristics were provided voluntarily in application narratives**. For this reason, it was not possible to discern gender identity, race, ethnicity, age, renter/owner status, income, and many more characteristics for all applicants. Many people chose to self-identify, and that information — along with applicant interests, perspectives, and backgrounds — was considered during the selection process in meeting the pre-established criteria.
3. After the initial selections, the committee tallied participant characteristics according to the established principles to ensure representation from a diversity of groups.
4. The committee met with Puget Sound Sage, with whom the City is working to bring members of underrepresented communities into the focus group process. This aspect of the focus groups aimed at welcoming a diversity of perspectives while further equipping members of traditionally underrepresented groups with experience and skills in government and community leadership processes. Sage recommended ten people who had applied from among Seattle's 33 urban villages.
5. The committee's recommended list was then sent to and approved by the mayor's office, at which time notices were sent to applicants.

The City desires participation by a broad range of community members who reflect Seattle's diverse population. We strove to ensure balanced representation from a range of different demographics and perspectives, including:

- Traditionally under-represented groups, including minorities, immigrants, refugees, and non-native English speakers;
- Renters;
- Households with children; and
- Experienced neighborhood advocates.

The selection principles were:

- Representation from every urban village / neighborhood area
- 4-6 community members from each urban village / neighborhood area
- That most participants (50-75%) should reside within the urban village boundary (including boundary expansion areas proposed through Seattle 2035) where the bulk of land use changes will occur.

You can also find information on what that discussion has been like here:

<http://www.seattle.gov/hala/focus-groups>

10.3 Questions on whether the community input will have an impact on the proposal

Yes, the City is open to modifying the current mapping proposal to ensure that community input is reflected in the Mayor's final proposal to be sent to City Council for their review in summer 2017. The City appreciates the work of the Community Councils and is committed to hearing from a variety of voices in the community.

Both HALA in general and the new MHA program in particular are citywide approaches to addressing the affordability crisis. However, we also value community input that is program-specific and neighborhood-specific. However, we will not value one comment over another based on zip code. It is important to recognize that community can be defined both by where someone lives, works and plays. If someone works in the area, recreates in the area or creates community in the area but lives elsewhere, we will accept this feedback.

10.4 Questions on whether the City Council will see the community input

Summaries of the public comments from each workshop about the MHA proposal and HALA will be given to Councilmembers and city officials.