

HALA Community Focus Groups Hub Urban Village Focus Group | Meeting #4 Monday, August 23, 6:00 - 8:00 p.m. Seattle City Hall

Meeting Summary

Opening Remarks and Introductions

Susan Hayman, facilitator, provided an overview of the objectives and agenda for the Hub Urban Village Focus Group's fourth meeting.

Susan introduced Seattle Office of Planning and Community Development (OPCD) staff Nick Welch and Vinita Goyal. Vinita is new to OPCD and will be supporting the HALA Focus Group process.

Nick announced that the City Council recently adopted the Mandatory Housing Affordability-Residential (MHA-R) framework legislation. Nick noted that the legislation outlines a general framework for how the City would require residential development to contribute to affordable housing, e.g., the permitting processes and the length of time that housing must remain affordable. But he noted that the legislation does not include several important details, namely specific payment and performance requirements and the zoning changes throughout the city that will put MHA requirements into effect. Nick reminded participants that future legislation will include those details and that the Focus Groups are a critical part of how the City develops its proposal.

Nick highlighted that the City Council also recently passed renter protections that prohibit landlords from discriminating against prospective tenants based on the source of their income.

Finally, Nick encouraged Focus Group members to continue use the online <u>HALA.Consider.it</u> platform to contribute to the citywide conversation about affordable housing strategies.

Examples of MHA Developments

Nick introduced examples of development under MHA for three additional zones: Lowrise I, Lowrise 3, and Neighborhood Commercial 75. Nick invited Focus Group members to review illustrations of how buildings could look with the proposed MHA zoning changes and information about the affordable housing each example would create. Focus Group members then shared comments and questions, recognizing that the City was especially interested in hearing whether the examples illustrated an appropriate balance of additional development capacity and required affordable housing.

Focus Group members shared the following ideas and questions during their discussion:

- The tradeoff between additional development and the MHA requirements is not balanced, especially in the Lowrise I zone. In this case, the payment is effectively a tax, and the increase in development capacity does not provide enough value.
- The baseline for developers to choose the performance options and create affordable housing on site is too low, especially in the Lowrise I and Lowrise 3 zones. Small projects will not be

able to choose the performance option. There should be at least one affordable home per block in these zones.

- Mixed-income housing needs to be a goal for future development in Seattle. In all zones, taller buildings and denser housing is a strong strategy for providing the market-rate and affordable housing we need. MHA on its own will not meet the city's housing need; we need enough market-rate housing to address increasing demand.
- The City could incentivize development that includes a building foundation that allows physical expansion of the building in the future.
- If developers choose to build smaller units than those assumed in the City's examples (e.g., microhousing), the performance option would require in a larger *number* of affordable homes, even if the percentage of total units is the same.

Final MHA Implementation Principles and Focus Group Input

Nick thanked the group for their comments on the draft summary of Focus Group input on the MHA principles that the City presented in July. He reminded Focus Group members that City will use these principles as a guide when developing the proposed zoning changes that will implement MHA.

Nick briefly provided Focus Group members with an overview of how their perspectives and their feedback updated MHA principles. He encouraged Focus Group members to get in touch if they had any questions about the final language included in MHA principles.

RSJI, Equity, and MHA

Nick stated that many Focus Group members have expressed interest at past meetings in learning more about how the City was working to ensure that the broader HALA process (not just MHA) furthered the goals of the City's Race and Social Justice Initiative (RSJI). OPCD staff presented four categories of HALA strategies aimed at advancing equality and expanding opportunity:

- 1. **Renter protections:** Policies to ensure fairness in the application processes and prohibit rent increases in substandard housing.
- 2. Preservation of existing affordable housing: The City will use funding from MHA and other sources to fund the acquisition and preservation of existing affordable housing through non-profit organizations. Other policies would incentivize private landlords to upgrade and maintain affordable rents.
- **3. Creation of new affordable housing**: MHA would increase the number of affordable and market-rate housing choices for people.
- 4. Investing in communities: City- and community-led investments to increase community opportunity and wellbeing, including preschool programs, professional training, and pollution reduction.

Turning to MHA, Nick noted that the City will be preparing an Environmental Impact Statement (EIS) to analyze the potential impacts on housing, transportation, air and water quality, and other elements of

the environment. He said that the City is especially interested in using this EIS to evaluate how MHA could affect displacement.

Nick explained that the City is currently in the "scoping" phase of the EIS process. The City expects to analyze three different scenarios (i.e., alternatives) in the EIS:

Alternative 1:	MHA is not implemented (no action)
Alternative 2:	MHA is implemented as outlined in the HALA Grand Bargain
Alternative 3:	MHA is implemented with integrated program measures focused on reducing displacement in high-risk areas

Nick asked Focus Group members to consider how implementing the MHA zoning changes and affordable housing requirements could affect displacement or advance the City's goals for racial and social equity. Nick invited members to share their ideas and questions about how Alternative 3 could be framed to minimize displacement. Nick offered potential ideas, including limiting urban village boundary expansions in areas where risk of displacement is high, reducing the scale of zoning changes in areas where risk of displacement is high, or focusing the City's affordable housing investments in areas where risk of displacement is high.

In response, Focus Group members shared the following ideas with the City regarding the EIS:

Ensure that policies that distinguish among different areas of the city do not violate HUD¹ Fair Housing rules. The City of San Francisco recently attempted a similar strategy, and it was not equitable under federal rules. Ensure that Alternative 3 would comply with existing Fair Housing rules.

- HUD may also have concerns with MHA if the program is not large enough to address the disparate impacts that unaffordable housing has on diverse communities in Seattle.
- The EIS alternatives should incorporate an analysis that helps to determine whether MHA is sufficient enough to address the need for housing in Seattle's now and in the future.
- Limiting the expansion of urban village boundaries with a high risk of displacement is a good strategy to minimize displacement. The complementary strategy is to further expand boundaries where displacement risk is low, which would provide an outlet for increasing demand for housing.
- Provide incentives (amenities) to make areas with low displacement risk more desirable for enhanced development.
- The City could work with the State to offer tax incentives for keeping inherited properties affordable (i.e., when a homeowner bequeaths a home to his or her heirs).
- Consider options for allowing displaced families to remain in the same area, if not the same home.
- Alternatives need to consider a scenario in which more people move to Seattle than currently projected.

¹ United States Department of Housing and Urban Development

- The EIS needs to consider the likely annexation of White Center. To provide the most accurate possible picture, this same idea needs to be extended to all surrounding areas Seattle that may be annexed into the City in the next twenty years.
- The study needs to distinguish between the homeowners selling their property and renters losing their apartments. In the context of displacement, the two situations are very different from one another.
- An additional EIS alternative should consider expanding MHA outside of urban villages and into single-family zones.
- Consider alternatives that allow landlords to improve existing units and maintain existing low-cost market-rate affordable housing.
- If the additional development capacity created through the zoning changes is not big enough, MHA will not stem displacement. Increase height limits. Analyze disparate impacts to understand the impact of MHA in addressing displacement. Will the sensitivity analysis include that? Can there be an Alternative 4 that measures that?
- We need to understand how zoning changes will affect the number of jobs in a neighborhood and therefore in cases it reduces the economic opportunity for residents, it will exacerbate displacement pressure.
- In areas near light rail stations where displacement risk is high, pursue the dual goal of getting people out of cars and creating affordable housing.

Nick encouraged Focus Group members to continue thinking about the upcoming EIS scoping process and to submit any additional ideas or comments to the City by **Friday, September 9**.

Observer Comment

Susan invited observers in attendance to share brief comments with the group:

• One observer noted that neighborhoods with development in progress often go through challenging transition periods (e.g., development in the Central Area that is demolishing a grocery). The observer said the City must ensure that there are businesses in developing areas that provide residents with needed services. The observer also said the City needs to carefully consider the types of housing being demolished, what is being developed in its place, and whether the new development will accommodate the same number of people (e.g., communal housing in the University District making way for condos).

Next Steps

Nick thanked the group for their participation and discussion. He reviewed a timeline of upcoming meetings, meeting topics, and process outcomes. He noted that, based on preliminary feedback from the HALA Focus Group survey, the City was considering a joint Focus Group meeting in September. Nick said the City and facilitators would be in touch once they determined the final date for this joint meeting. Nick noted that the next meeting would likely include examples of MHA zoning changes for the Focus Group members to review and discuss.

Attendees

Focus Group members:

- Adam Bejan Parast
- Alex Brennan
- Allem Grissom
- David Evans
- Eli Edwards
- Hannah Tang

Observers

- Linda Melvin
- Steve Neilsen

- Amy Gore
- Luke Schlather

- Project team:
 - Vinita Goyal, Office of Planning and Community Development
 - Nick Welch, Office of Planning and Community Development\
 - Susan Hayman, Envirolssues
 - Brett Watson, Envirolssues

- Isaac Mooers
- Jane Taylor
- Jennifer Cells Russell
- Judy Bouse
- Mary Monroe
- Melissa Lerch

- Natalie Curtis
- Patrick Burns
- Scott McGee
- Sue Shaw
- Venessa Laughlin
- Read Handyside