



HALA Community Focus Groups
Lower Density Urban Village Focus Group | Meeting #3
Monday, July 27, 6:00 - 8:00 p.m.
Seattle City Hall, Room L280

Meeting Summary

Opening Remarks and Introductions

Susan Hayman, facilitator, reviewed the ground rules, schedule, and goals for the Housing Affordability and Livability Agenda (HALA) Community Focus Group process and provided members with an overview of the agenda and the objectives for the Lower Density Urban Village Focus Group's third meeting. She shared that there were no parking validation stickers this month, but asked people to keep their receipt for reimbursement. She also introduced two new Focus Group members – Patti Hill and James Wright.

Reflection on MHA Implementation Principles Feedback

Geoff Wentlandt, Seattle Office of Planning and Community Development (OPCD), provided an overview of the draft summary of Focus Group feedback on the Mandatory Housing Affordability (MHA) implementation principles that had recently been shared with the City Council members and the Mayor. Geoff said that the draft summary document indicated areas of general agreement, areas where opinions diverged, and areas of special interest for particular Groups.

Geoff encouraged members to review the draft summary document and submit questions, comments, or concerns to OPCD before the Focus Group's next meeting on August 22.

Focus Group members had the following questions and comments:

- City Council's stance towards HALA is different from when the Focus Groups began meeting. How is that change being incorporated into this process?

Open House

Geoff encouraged Focus Group members to browse two sets of informational boards set up throughout the meeting space. The boards provided:

1. Information on how MHA would create affordable housing
2. Example illustrations of development in various zones under MHA

As additional context for the boards, Geoff invited a representative from the Seattle Office of Housing (OH) and a representative from Mercy Housing Northwest, a local non-profit affordable housing developer, to provide an overview of how the agency and the organization work together to develop and operate affordable housing in Seattle.

Emily Alvarado, OH, noted the following key information:

- OH has many responsibilities—chief among them is awarding funding for the production of affordable housing. The funding for affordable housing comes from the Seattle Housing Levy and the existing voluntary incentive zoning program. OH also monitors affordable housing development over a 50-year term to ensure that income and rent restrictions are enforced and that residents receive quality amenities.
- OH, itself, does not develop affordable housing. Rather, it distributes Requests for Proposals (RFP) for affordable housing development. Interest in these RFPs often substantially exceeds available annual funding. OH then evaluates proposals based on sustainability, cost effectiveness, proximity to amenities, location, and need.
- For every dollar that the City invests in affordable housing, developers are able to leverage approximately three additional dollars of private and public funding.

Bill Rumpf, Mercy Housing Northwest, added a non-profit affordable housing developer's perspective, highlighting the following points:

- Mercy Housing Northwest works regionally to provide stable and healthy communities. They sign 50-year commitments to keep their apartments affordable to people at designated income levels.
- Mercy Housing Northwest looks for sites that are opportunities for willing sellers and a good fit for residents. Their buildings typically have 50-100 apartments and additional services like after-school programming and health services.
- Many of Mercy Housing Northwest's affordable housing developments use OH funds to leverage other sources of federal and private funding. Approximately 25-30% of funding comes from OH.
- MHA would complement Mercy Housing Northwest's mission by creating affordable housing in market-rate buildings.

Focus Group members reviewed informational boards and engaged with City staff and the Mercy Housing Northwest representative during an open house.

Before moving into the open house, Focus Group members had the following questions and comments:

- How have the in-lieu fees been spent in the past and how does Seattle do in terms of placing properties in good locations compared to other cities?
- How do nonprofit groups, such as Mercy Housing Northwest, find interested selling partners?
- What happens at the end of the 50-year commitment? Is this timeline staggered for the different housing developments?

Large Group Discussion

The group reconvened after the open house and Susan presented several discussion questions. Focus group members responded with their questions and perspectives:

- One board highlighted criteria that the City uses when choosing where to locate affordable housing. Are there additional criteria that the City could add to this selection process?
 - General support for the recently added criterion prioritizing the use of MHA payments near the development that generated the funding.
- Should there be any changes to the proposed structure for the implementation of MHA payment or performance throughout the city?
 - How often are the values of each zone re-evaluated?
 - Although there has previously been a bias towards the “performance” option (building in unit) among Focus Group members, the in-lieu payments may create more affordable units due to the leveraging opportunities.
 - 60% of AMI seems well above “affordable.” Do developers get to choose the percentage? Will it be a range? Will there be a way to regulate that there is a range?
 - Aren’t microhousing projects set at 40% What about home ownership units?
 - What if the areas surrounding the urban villages lack the infrastructure to support development? What will the City do to meet the demands of affordable housing?
 - How can the City ensure that developers do not “ghetto-ize” neighborhoods? What about lower-density areas that will not have access to the great new developments and their resources?
 - If MHA requirements are lower in lower-cost areas, will more developers come into those areas and cause displacement, transforming the low-cost areas into medium-cost areas? What about the low-cost market-rate housing that used to be in the neighborhoods? Should the per-square-foot payment amount be considered? It is important to ensure that the payment option does not intentionally cause displacement because the areas where development is happening tend to be lower income.
- Are the provided example renderings of what MHA development could look like in different zoning areas an appropriate tradeoff for increased affordable housing?
 - The upzones are mild. It seems like having much more development would provide more affordable housing. So why not build bigger?
 - There is potential to do a lot more with MHA. It would be good to hear some discussion about urban villages/area expansion.
 - The formula should be tempered with some quality-of-life aspects, such as infrastructure.
 - The examples are 6,000 square feet, but most lots in Seattle are 5,000 square feet.
 - If a typical lot is 5,00 square feet, then the FAR could be played with some more so that developers can get the most out of the square footage.
 - Take a look at easing set back requirements, especially in the front yards. Allow building to the lot lines and create some row houses.

- If transitional area units were pulled closer to the street, then there would be a buffer between the transitional units and single-family homes. An extra ten or five feet in the back would add to the buffer than having it in the front.
- What about changing the formula and asking developers to give more per unit? The math behind the numbers would be helpful for understanding the Grand Bargain.
- In the renderings, the single-family zone areas that would be rezoned would not require parking. Is there any way to incorporate neighborhood context or some sort of neighborhood- or block-wide analysis of whether the street can handle additional vehicles? Could this be something that is locally determined?
- Could the City encourage developers to include parking? In smaller buildings, it would be cheaper to build parking than in the taller buildings. It would be interesting to see models of how much parking developers would build if required and the associated cost.

Focus Group members also highlighted the importance of continuing to customize zoning implementation to neighborhoods and solicit local input.

Observer Comment

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

- One observer shared distrust for the government and said that this process feels disingenuous. Hearing some Focus Group members support building properties out to the sidewalk is upsetting because it sounds like they want to close out people in single-family homes. The observer did not disagree with affordable housing but dislikes how it is happening, stating that single-family homeowners were not involved in HALA and its decisions.
- One observer asked if Focus Group participants had asked whether the City should make zoning changes in the first place. All of the discussions throughout this process have been about *how* the City will make zoning changes. The observer quoted statistics about development capacity from Seattle 2035. The observer claimed that City's current zoning has theoretical capacity for three times Seattle's projected growth. The observer reminded the group that MHA is not the only resource for creating affordable housing. The observer also noted that the percentage of housing units that a developer must set aside as affordable under MHA is much lower than the other cities shown on the board.

Next Steps

Susan thanked the group for their participation and discussion. She reminded participants that the next Lower Density Community Focus Group meeting will be held on August 22 at City Hall. She shared that the City will look into holding time for Focus Group members to discuss other housing topics that are not included in MHA. Susan reminded Focus Group members to submit any additional comments on the draft summary of Focus Group input on the MHA implementation before this next meeting.

Susan also shared that she had heard from some focus group members that they did not receive the July meeting's agenda until the day before the meeting. She encouraged them to let her know, or visit the Focus Group website (<http://www.seattle.gov/hala/focus-groups>), if they haven't received the agenda within two weeks prior to the next scheduled meeting.

Susan closed by encouraging Focus Group members to continue using the online HALA Consider.It tool (<http://hala.consider.it>) to provide additional thoughts on planning for housing affordability in Seattle.

Focus Group members shared the following comments:

- This is already such a complicated project. If a topic besides MHA are discussed, it should be added on at the beginning or end of a session. It should not take away from the time that was meant to be dedicated to discussing MHA.

Attendees

Focus Group members:

- Aeryn Gray
- Analia Bertoni
- Angus Davis
- Calbe Heeringa
- Carson Dietz
- Charles Loeffler
- Cindi Barker
- Eldan Goldenberg
- Erin Kelly
- Gunner Scott
- Helen Whitlock
- James Wright
- Jamie Marie Stroble
- Jeffrey Linn
- Katie Escudero
- Keri Williams
- Kim Barnes
- Kristopher Clemmons
- Mahim Lakhani
- Mares Asfaha
- Mary Holscher
- Michael Murray
- Mike Caughey
- Nancy Zugschwerdt
- Patti Hill
- Shandra Benito

Observers

- Susanna Lin
- Rhona Busn
- Ron Hornvigg
- Marily Smith
- Linda Melyin

Project team and other City staff/guest speakers:

- Geoffrey Wentlandt, Office of Planning and Community Development
- Emily Alvarado, Office of Housing
- Bill Rumpf, Mercy Housing Northwest
- Heidi Bullinga, Architect and Urban Designer
- Susan Hayman, EnviroIssues
- Jentien Pan, EnviroIssues