



City of Seattle Seattle Planning Commission

Tony To, Chair
Barbara Wilson, Executive Director

SEATTLE PLANNING COMMISSION OCTOBER 25, 2007 APPROVED MEETING MINUTES

Commissioners in Attendance

Tony To Chair; Linda Amato, Jerry Finrow, Chris Fiori, Colie Hough-Beck, Mark Johnson, Martin Kaplan, Chelsea Levy, M. Michelle Mattox, Kevin McDonald, Leslie Miller, Steve Sheehy

Commission Staff

Barbara Wilson-Director, Casey Mills-Planning Analyst, Robin Magonegil-Administrative Specialist,

Commissioners Absent

Mahlon Clements, Tom Eanes, Kay Knapton, Kirsten Pennington

Guests

Rick Hooper, Office of Housing

In Attendance

Rebecca Herzfeld, Council Central Staff;

Please Note: Seattle Planning Commission meeting minutes are not an exact transcript but instead represent key points and the basis of the discussion.

CALL TO ORDER

The meeting was called to order at 7:30 am.

COMMISSION BUSINESS

▪ Minutes Approval

ACTION: Commissioner Colie Hough Beck moved to approve the October 11, 2007 minutes. Commissioner Linda Amato seconded the motion. The motion was approved unanimously.

▪ Chairs Report

Chair Tony To reviewed the upcoming Commission meetings.

Executive Director, Barbara Wilson gave an update regarding Commissioners involved in various community activities. She noted that Commissioner Colie Hough-Beck served as a facilitator at the recent Multifamily Code Update open house; that Commissioner Michelle Mattox had served on the

Yesler Terrace Advisory Committee for the past year and that Commissioners McDonald, Pennington and Clements have been representing the Commission on the Light Rail Review Panel. She added that Commissioners To, Amato, Sheehy, Fiori, Finrow and Johnson have been meeting with City Councilmembers regarding the proposed size of use limits. Ms. Wilson thanked all these Commissioners for their time and efforts.

Commissioner Jerry Finrow asked about the search for a replacement for John Rahaim, Director of Planning for DPD. Ms. Wilson stated she was unsure about the progress. She added that the Commission will hopefully be involved in the process, as they were during the last search for a Planning Director.

COMMISSION DISCUSSION

▪ Commissioner Report on Affordable Housing - Briefing & Discussion

Chair To asked for disclosures or recusals.

Recusal & Disclosures: Chair Tony To disclosed that he worked for Homesight, an affordable housing non-profit.

Chair To stated that the Commission began review of the Affordable Housing Action at the beginning of the year with an affordable housing roundtable. He added that the agenda is the culmination of a year's worth of work. Chair To asked HNUC Chair Jerry Finrow and Vice-Chair Mark Johnson to present the document.

Ms. Wilson briefly discussed the timeline for approval. She stated that the goal would be to give it final approval on November 8 so that the Commission could present it to City Councilmembers in December. Ms. Wilson added that this would also allow time for an official release in early 2008.

Commissioner Finrow stated that he and Commissioner Johnson would be discussing the recommendations. He added that there was quite a bit of information leading up to the recommendations, and that Commissioners should provide any comments they have on this section during the discussion.

Commissioner Johnson stated there were eight main strategies, and that each strategy was paired with the problem it was trying to address, along with implementation strategies. He stated that the Commission was not trying to address every cause and effect of the lack of affordable housing, but just the areas of relevance to the Commission, including land use and zoning related issues.

Commissioner Johnson and Finrow presented the eight strategies in the action agenda, including: Strategy 1: Encourage Transit-Oriented Development with an affordability element; Strategy 2: Explore ways to preserve Seattle's existing rental stock, including mitigating effects of condominium conversions; Strategy 3: Encourage the use of Incentive Zoning programs, especially in areas that experience significant land value increases as a result of significant up-zoning; Strategy 4: Increasing development capacity citywide by implementing minimum densities or encouraging upzones in certain areas; Strategy 5: Accurately measure Comprehensive Plan's stated goals for affordable housing; Strategy 6: Ensure Seattle's Land Use Code works to create more affordable housing in Seattle, particularly for families; Strategy 7: Work to expand housing choices, including Detached Accessory

Dwelling Units and cottage housing citywide; Strategy 8: Encourage the development of more resources for providing affordable housing. Commissioner Finrow stated that these are the recommendations the HNUC Committee had developed. If the Commission votes to approve the report, the HNUC will continue to work to implement these strategies.

Commissioner Colie Hough-Beck asked if the Committee had looked at incorporating enforcement monitoring in the report. Rick Hooper, Office of Housing (OH), stated that the OH has staff whose sole job is to monitor whether or not affordable housing is being offered at the price that it is supposed to be. Commissioner Finrow suggested that the report include language supporting the ongoing enforcement monitoring of affordable housing.

Rebecca Herzfeld, Council Central Staff stated that City Council will be taking up the issue of whether to include a demographer in next year's budget next week. She added that the Commission may want to inform City Council that they would support the hiring of this demographer.

ACTION: Commissioner Jerry Finrow moved that the Commission authorize the staff to produce a letter urging City Council to approve the hiring of a demographer. Commissioner Mark Johnson seconded the motion. The motion passed unanimously.

Mr. Hooper stated that the 2002 Housing Levy would be up for renewal in 2009 and that planning was already underway to decide how the levy ballot measure would be structured. He suggested that the Commission might want to include this in their report.

Commissioner Sheehy asked if there was a requirement in the Detached Accessory Dwelling Unit (DADU) legislation for Southeast Seattle for monitoring and reporting back on the success of the program. Ms. Wilson replied that the Commission's intern was currently analyzing the approved projects and that SPC staff was also working on a user guide for potential DADU builders that would be released early next year. Commissioner Leslie Miller stated that Councilmember Sally Clark did include an amendment in the legislation requiring monitoring and reporting back on the progress of the program.

Commissioner Sheehy questioned where the city was on cottage housing. Ms. Wilson stated that she had not heard anything recently about the issue.

Commissioner Amato stated that she had concerns about strategies 4 & 7. (Strategy 4: Increasing development capacity citywide by implementing minimum densities or encouraging upzones in certain areas; Strategy 7: Work to expand housing choices, including Detached Accessory Dwelling Units and cottage housing citywide;) She noted that both could have potential traffic implications. Commissioner Amato stated that the Commission needs to make sure that any upzoning is a fit with the existing infrastructure there. Commissioner Finrow agreed, and stated that something should be added to the report regarding this point.

Commissioner Kaplan stated it would be worth noting that some upzoning is consistent with some of the neighborhood plans. Commissioner Finrow said that coordination of the neighborhood plans with the strategies outlined in the action agenda would be important.

Commissioner Miller noted that the mention of family housing in strategy 4 was important. She added that she had attended a forum with developers at the Othello Station and many were concerned about grocery stores and open space coming along with new development, especially if families are coming in. Commission Finrow stated this would be a good point to include in the report.

Commissioner Chris Fiori stated that he had sent some comments to Casey Mills and that, he hoped Mr. Mills would consider those comments when updating the report. He added that he thought the majority of the report was well done and well intentioned. Commissioner Fiori noted that the condo conversion strategy was the exception, as it might have unintended consequences. He added that public investment should be an important part of the report, because it's unreasonable to expect that new residents will bring public amenities with them as they move in to areas. Commissioner Finrow suggested working out a new strategy that would address the various Commissioners' public infrastructure concerns.

Commissioner Fiori stated that condo conversions are causing affordability problems in terms of cost. He added that there are many units that will likely never be converted to condos because of a lack of amenities, such as underground parking. Commissioner Fiori noted that the ability to convert to condos allows flexibility in the market and is turning over the old stock and improving them with new amenities.

Commissioner Chelsea Levy stated that she would like to see DADUs allowed around TOD developments, especially in single family areas.

Commissioner Kevin McDonald stated that Strategy 1 (Encourage Transit-Oriented Development with an affordability element ;) has Comp Plan changes and implementation strategies that are much broader than the problem statement and overarching strategy. He added that the overarching strategy should capture all the Comp Plan changes and implementation strategies, not just TOD-type development.

Commissioner Martin Kaplan noted that some condo conversions happened because developers wanted to build condos but decided against doing so due to insurance and other development issues. He noted that once developers hold the apartments for a certain time period, they are able to convert them to their original intent as condos free from insurance and other homeowner lawsuit concerns. Commissioner Kaplan added that they then flipped them to condos once they were able to.

Ms. Wilson stated the report would now go to the HNUC Committee for further review.

- **Presentation:** Incentive Zoning Resolution
 - **Rick Hooper, Office of Housing**

Chair To asked for disclosures or recusals.

Recusal & Disclosures: Commissioner Chris Fiori disclosed that his firm, Heartland, has clients and developments that could be affected by incentive zoning. Commissioner Michelle Mattox disclosed that her firm, Chiles & Company, also has clients that could be affected by incentive zoning. Chair Tony To disclosed that his firm, Homesight, could be affected by incentive zoning. Commissioner Leslie Miller disclosed that she is the Chair of the Southeast District Council and they will likely review this matter.

Ms. Wilson stated that the Commission released a report on Incentive Zoning in February, 2007. She noted that this report provides some good background on the issue, including the House Bill that passed enabling the legislation to be proposed. Ms. Wilson stated that the report discusses a case study of incentive zoning in downtown Seattle, outlines some fundamental questions, and provides recommendation to the Mayor and City Council regarding the program.

Mr. Hooper stated that the proposed resolution will not likely get to Council until February, 2008. He added that there would be a series of proposals that would implement incentive zoning in various areas of the city over time. Mr. Hooper noted that this resolution would provide some overview that can be applied citywide. He noted that it is a statement of Council intent, so it doesn't bind them, but it will hopefully prevent Council and the Executive from having to revisit the same issues every time a new proposal is offered.

Mr. Hooper noted that some overarching principles would be that it applies when multifamily housing or commercial development capacity is increased, and it is a voluntary program for developers. He added that key elements of the proposal include that 11 percent of gross bonus square footage would be for affordable housing. Mr. Hooper continued that for buildings under 85 feet, all the bonus would go towards affordable housing and that if it is over 85 feet, 60 percent would go to affordable housing, but up to 40 percent of the rest could go towards other public amenities.

Mr. Hooper stated that affordability levels would be 80 percent AMI for renters and 100 percent AMI for homeownership. He added that there would be a variety of options for developers, including on-site housing, land donations, and payment in lieu, the latter of which would be the same dollar amounts as the downtown program. Mr. Hooper noted that there would also be a review of incentive program provisions every 2 to 5 years.

Commissioner Chelsea Levy asked how well the downtown program had performed. Mr. Hooper responded that, so far, most developers appear to be taking advantage of it. He added that they have all been more interested in the payment in-lieu option. Mr. Hooper noted that often condo fees can be problematic for tenants in affordable units within condo towers, especially when the fees are increased. He continued, that often the income levels of tenants in the affordable units are less than other residents in the condo association.

Commissioner Levy questioned how the funds had been used. Mr. Hooper answered that the Office of Housing has used the funds to contribute towards affordable housing projects, primarily built by non-profit developers.

Commissioner Kaplan questioned the percentage of affordable units and the in-lieu fee payment structure. He noted that the fee seemed high for buildings outside of downtown. Commissioner Kaplan added that it seemed 11 percent was very low to require of developers and that it seems like the city will be giving away a great deal and not getting very much in return. He mentioned that other cities require 20 percent or more instead of 11 percent. Mr. Hooper stated the Office of Housing was serious about both wanting to provide affordable units as well as additional density. He added that they did not want to kill projects, and the fee structure and percentage were set at a level that they hoped would encourage projects to be developed to their maximum density. Commissioner Kaplan shared his concerns considering that with such a low threshold, many projects may not yield even one unit.

Commissioner Hough-Beck stated that she had recently facilitated at a Multi-Family Code Update open house. She noted that a number of the participants at her table were saying that 11 percent was not high enough, and that there should be a minimum number of units a development should provide.

Commissioner Amato noted that reviewing the project every 5 years would not likely be often enough, because construction costs change so rapidly. She added that it might be worth it to tie the updates to CPI, or some other indicator of construction costs.

PUBLIC COMMENT: There was no public comment.

ADJOURNMENT: Chair To adjourned the meeting at 9:01 am.