Affordable Housing Committee

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Mr. Michael Hubner, Long Range Planning Manager City of Seattle 600 Fourth Avenue Seattle, WA 98104

Dear Mr. Hubner,

Thank you for submitting the City of Seattle's draft One Seattle Plan to the Affordable Housing Committee's (AHC) Housing-focused Draft Comprehensive Plan Review Program for review on April 9, 2024. On behalf of the AHC, I am sending you this summary of our review and recommendations.

Background

The AHC is a subcommittee of the Growth Management Planning Council (GMPC), consisting of representatives of King County and its cities, housing providers, area employers, and others. By direction of the GMPC, the AHC now conducts a housing-focused review of all King County jurisdictions' draft periodic comprehensive plan updates, assessing the draft plans for alignment with the King County Countywide Planning Policies (CPP) Housing Chapter goals and policies prior to plan adoption.

As you know, our county is experiencing a deep and persistent housing shortage. In 2021 the State of Washington adopted <u>House Bill 1220</u>, which amended the Growth Management Act, requiring local governments to plan for and accommodate housing that is affordable to all income levels, including emergency housing. In response to this state mandate and local interest in improving the effectiveness of local housing plans and policies, the AHC led a two-year process to amend the King County CPPs.

The result was a significant update to the CPP Housing Chapter, which was recommended by the GMPC, adopted by the King County Council, and ratified by the cities in 2023. The goals of both the statute and this implementation work are to encourage cities and King County to work together to provide a full range of affordable, accessible, healthy, and safe housing choices to every resident in King County.

This review is guided by Housing-Focused Comprehensive Plan Review Standards, as adopted by <u>GMPC Motion 23-2</u>. In summary, the AHC review seeks to determine whether each jurisdiction's draft plan and submission materials:

- 1. address all CPP Housing Chapter policies;
- 2. articulate implementation strategies for relevant CPP Housing Chapter Policies; and
- 3. lay out meaningful policies that, taken together, support the jurisdiction's ability to equitably meet housing needs.

AHC members appreciate Seattle being one of the first jurisdictions to submit to the program in 2024. This program is still relatively new and evolving, and your engagement helps the AHC understand how jurisdictions are seeking to address their housing needs while aligning with the recent changes at the state, regional, and county levels.

As the largest Puget Sound Regional Council (PSRC)-designated Metropolitan City, Seattle serves as a focal point for accommodating both population and employment growth due to its convenient access to high-capacity transit and role as a civic, cultural, and economic hub. Seattle's planned job and housing growth and the sheer number of low-income households Seattle must plan for and accommodate over the next 20 years underscore the importance of the AHC's review of Seattle's draft comprehensive plan. As with all plans, the AHC reviewed this plan with an eye towards ensuring Seattle's housing-related policies support a range of affordable, accessible, healthy, and safe housing choices for current and future residents across King County and respond to the legacy of discriminatory housing and land use policies and practices (e.g., racially restrictive covenants, exclusionary zoning, etc.) that have led to significant racial and economic disparities in access to housing and neighborhoods of choice consistent with the CPP Housing Chapter goals and policies.

The AHC acknowledges the substantial amount of time and effort that went into Seattle's draft comprehensive plan. During review, the AHC noted that many of Seattle's plans, policies, analyses, and implementation strategies align well with CPP Housing Chapter policies. In particular:

- Seattle has sufficient capacity to meet its housing need under current zoning. However, Seattle's proposed growth strategy appears to significantly increase where production of income-restricted affordable housing would be feasible. This is a major step towards increasing housing choice and undoing patterns of exclusion.
- 2. Seattle's Draft Housing Appendix includes meaningful analysis and provides information that the CPPs, PSRC, and the Department of Commerce do not require outright. In particular:
 - a. the rental housing market analysis provides detailed information with enough context for the reader to understand the types of housing people with different kinds of jobs can afford (Tables 20 and 23, pp. 84 and 90) and
 - b. the Housing Appendix does not shy away from identifying the need for funding to meet Seattle's housing needs, with the funding for production and preservation of income-restricted housing section outlining a financial modeling analysis that identifies an overall gap of \$30.4 billion (page 133).
- 3. While Seattle's housing levy, mandatory housing affordability payments, and other revenue sources are projected to raise only a small portion of the funding gap identified in the Housing Appendix, Seattle remains unrivaled among cities in King County in raising local resources to fund the production of affordable housing.
- 4. The Equitable Development Initiative provides funding and support to community-based organizations to identify and implement solutions to repair harm to Black, Indigenous, and People of Color communities. The AHC looks forward to monitoring this program's progress to address past and current harms over the planning period.

Below, the AHC includes recommendations necessary for Seattle to align with the CPP Housing Chapter policies.

Recommendations to Align with the CPP Housing Chapter

The AHC recommends Seattle take the following actions to align its draft comprehensive plan with CPP Housing Chapter goals and policies.

1. Complete the housing inventory and analysis to inform policies and strategies (CPPs H-3, H-4, H-12, and H-20)

Relevant Countywide Planning Policies

CPP H-3 directs jurisdictions to conduct a housing inventory and analysis to help identify and address the greatest needs as well as summarize the findings in the Housing Element. CPP H-4 requires jurisdictions identify gaps in existing partnerships for meeting housing needs and eliminating racial and other disparities in access to housing and neighborhoods of choice. CPP H-12 requires jurisdictions adopt and implement policies that improve the effectiveness of existing housing policies and strategies and address gaps in partnerships, policies, and dedicated resources to meet the jurisdiction's housing needs. CPP H-20 requires jurisdictions to adopt and implement policies that address gaps in partnerships, policies, and dedicated resources to eliminate racial and other disparities in access to housing and neighborhoods of choice.

Seattle's Proposal and AHC Findings

While Seattle's submission includes many data points and substantive analysis, the AHC could not find specific information required by H-3(k), which requires a summary of existing and proposed partnerships for meeting housing needs, particularly for populations disparately impacted.

Additionally, while Seattle's Housing Appendix includes some analysis of barriers to development of housing and conducts a funding gap analysis, it does not include an analysis of gaps in partnerships. While Seattle's proposed policies may address gaps in partnerships, the AHC cannot determine if Seattle is aligned with CPPs H-12 and H-20 without this analysis.

Recommendation 1: Seattle should include all inventory and analysis components as required by H-3 and H-4 in the comprehensive plan and summarize the findings in the Housing Element. Please see the Washington State Department of Commerce's "Adequate Provisions Checklists" as a guide for how Seattle could conduct a gap analysis to address gaps in partnerships.

2. Increase access to housing in historically exclusive neighborhoods (CPPs H-9, H-18(a), and H-20)

Relevant Countywide Planning Policies

CPP H-9 requires jurisdictions adopt intentional, targeted actions that repair harms to Black, Indigenous, and other people of color (BIPOC) households from identified past and current racially exclusive and discriminatory land use and housing practices. CPP H-18(a) requires all jurisdictions to adopt inclusive planning tools and policies that increase the ability of all residents in jurisdictions throughout King County to live in the neighborhood of their choice, reduce disparities in access to opportunity areas, and meet the needs of the region's current and future residents by providing access to affordable housing to rent and own throughout the jurisdiction, with a focus on areas of high opportunity. Finally, CPP H-20 requires jurisdictions adopt and implement policies that address gaps in partnerships, policies, and dedicated resources to eliminate racial and other disparities in access to housing and neighborhoods of choice. CPP H-22 requires jurisdictions to implement, promote, and enforce fair housing policies and practices so that every person in the county has equitable access and opportunity to thrive in their communities of choice.

Seattle's Proposal and AHC Findings

Seattle's Housing Appendix identifies that while Seattle never had racial zoning, one of its first ordinances called for the removal of indigenous people from within the city limits, and the city's first zoning ordinance was promoted by the Zoning Commission to prevent "lowering...the standard of racial strength and virility" (Draft Housing Appendix, pp. 18-19). Seattle residents also experienced redlining and racially restrictive covenants, "depriving people of color to own a home and build and pass on wealth" (Draft Housing Appendix, page 22). The Housing Appendix states that the legacy of these practices persists, with the areas rated highest in terms of "mortgage security" by the Home Owners Loan Corporation (the organization that originally drafted the "redlining maps") remaining disproportionately white and restrictively zoned (Draft Housing Appendix, pp.141-143). These findings underscore the importance of undoing these patterns of segregation to meaningfully respond to CPP H-9.

Seattle's draft land use map includes multiple strategies that appear to significantly increase housing choice and access to neighborhoods throughout the city.

- 1. The new Urban Neighborhood land use area, which includes most historically single-family neighborhoods, will allow for middle housing types, such as duplexes, triplexes, fourplexes and cottage homes. The plan also includes a proposal for an affordable housing bonus in parts of the Urban Neighborhood area, in addition to the affordable housing bonus implemented as part of Seattle's response to HB 1110.
- 2. Neighborhood Centers will allow five to six story residential buildings, which is the size required to make typical income-restricted affordable housing projects feasible, in many new and historically exclusive areas of the city.
- 3. Seattle is proposing expanding some Urban Centers, with significant expansions into historically exclusive neighborhoods such as Greenwood, Queen Anne, and West Seattle. Seattle is also proposing a new Urban Center at the future 130th Street light rail station. These areas would generally allow three to eight story buildings, with some taller buildings near light rail.
- 4. Seattle is proposing many policies that promote addressing racial disparities and increasing housing choice and production of income-restricted housing in all Seattle neighborhoods.

The AHC commends Seattle for these strategies, which will increase housing choice in low-density residential areas in alignment with the CPP Housing Chapter. However, the AHC believes further action is needed to undo patterns of exclusion.

Seattle's land capacity and housing affordability analysis assumes that housing between 50 and 85 feet high is the only type, with subsidies, that can feasibly provide housing affordable to 0 to 50 percent AMI households at scale. The AHC therefore finds that Seattle will not meaningfully increase access for 0 to 50 percent AMI households in the Urban Neighborhood area, which appears to still apply to most of the residential land in Seattle.

The AHC appreciates Seattle's efforts to make affordable housing developments feasible in the Urban Neighborhood area through its affordable housing bonus proposal. However, the AHC does not believe six-unit buildings are a feasible project type for income-restricted affordable housing, particularly in areas with high land costs. Additionally, if the program does make affordable housing projects feasible in these zones, the affordable housing bonus is only proposed in areas within a quarter mile of transit. Based on current transit service, this excludes a large portion of Seattle's historically single-family areas. The AHC therefore finds that this affordable housing bonus is not a

meaningful strategy to increase access to historically exclusive neighborhoods for very low-income households.

Seattle's draft plan proposes multiple policies, such as growth strategy policy GS 1.2, land use policy LU 1.1, and housing policies H 3.3, 4.5, and 4.6 that direct Seattle to reduce barriers and promote affordable or income-restricted housing "in all neighborhoods." However, Seattle's draft plan continues to limit housing types affordable to low-income households in many neighborhoods, and primarily in wealthy historically single-family neighborhoods close to bodies of water. Specifically, Seattle appears to propose no increases in allowed density beyond the changes proposed for Urban Neighborhood in:

- Arbor Heights,
- Briarcliff,
- Broadview,
- Lawton Park,
- North Beach/Blue Ridge,
- Seward Park, and
- Riverview.

Additionally, Seattle proposes considering higher density housing along frequent transit corridors as a strategy beyond the changes proposed for Urban Neighborhood in:

- Alki.
- Laurelhurst,
- Leschi,
- Matthews Beach,
- Mount Baker,
- North Queen Anne,
- Sunset Hill,
- View Ridge, and
- Windermere.¹

See recommendation 3 for the AHC's findings regarding Seattle's proposal for upzoning along frequent transit corridors.

The Neighborhood Center proposal appears to be a significant step towards increasing access for low-income households in many historically single-family areas. The AHC commends Seattle for making substantive efforts to increase access for low-income households in these neighborhoods. However, given the imprecise boundaries, the AHC cannot determine the extent to which this strategy will increase access to these neighborhoods. The AHC also cannot determine the extent to which low-income households are likely to be served in Neighborhood Centers and new Urban Centers because it is not clear if Seattle will expand its Mandatory Housing Affordability (MHA) areas.

¹ The AHC compiled this list of neighborhoods using the Seattle City Clerk's Neighborhood Map Atlas published on the Seattle GeoData website [link]

Recommendation 2: To align with CPPs H-9, H-18, H-20, H-22, and Seattle's proposed growth strategy policy 1.2, Seattle should plan for and accommodate housing types affordable to 0 to 50 percent AMI households in all neighborhoods in Seattle. Seattle does not necessarily need to propose a Neighborhood or Urban Center in each of the neighborhoods listed in the AHC's findings above, but does need to demonstrate how it will provide opportunities for 0 to 50 percent AMI households in each neighborhood. Some strategies Seattle could employ to increase access to historically exclusive areas include, but are not limited to: proactively pursuing affordable housing on publicly-owned properties or properties owned by faith organizations or funding more deeply affordable housing projects that would be feasible in the Urban Neighborhood areas. Seattle should ensure code changes to implement this recommendation provide feasible opportunities for the development of affordable housing.

3. Maximize benefits of transit investments (CPPs H-16, H-17, and H-18(c))

Relevant Countywide Planning Policies

CPP H-16 requires jurisdictions expand the supply and range of housing types, including affordable units, at densities sufficient to maximize the benefits of transit investments throughout the county. CPP H-17 requires jurisdictions support the development and preservation of income-restricted affordable housing that is within walking distance to planned or existing high-capacity and frequent transit. CPP H-18(c) requires jurisdictions evaluate the feasibility of, and implement, where appropriate, inclusionary and incentive zoning to provide affordable housing.

Seattle's Proposal and AHC Findings

The AHC commends Seattle's proposed significant increases in residential density in proximity to transit. Seattle has helped create complete communities around many of Sound Transit's light rail investments and is poised to create more urban mixed-use and walkable communities near future stations. However, given the level of current and future transit service in Seattle, the AHC believes Seattle must take further action to maximize the benefits of these investments.

The AHC cannot determine if Seattle's draft plan proposes sufficient residential densities within walking distance of all of its future light rail stations, which could limit the potential development of income-restricted affordable housing in these areas. Specifically, Seattle proposes Neighborhood Centers for Delridge, Interbay, and Northeast 145th Street and 15th Avenue Northeast. Given the imprecise boundaries in the draft land use map for Neighborhood Centers, the AHC cannot determine how many mid-rise multifamily buildings would be allowed in these areas.

In addition to planning for future light rail stations, the AHC is concerned by Seattle's approach to planning for housing along frequent transit corridors. Seattle's draft plan states that "higher density housing will be considered" along frequent transit corridors but appears only to propose increasing density directly along the streets with frequent transit. The AHC is concerned by this approach for three reasons. First, the AHC cannot determine how meaningful these changes will be due to the use of the word "consider." Second, this approach could represent a missed opportunity to provide more residential capacity for housing affordable to all income levels in high opportunity areas close to frequent transit. Third, Seattle's Draft Housing Appendix finds that locating multifamily housing near major roadways can help with transit access but exposes these residents to higher levels of pollution. Considering multifamily housing only along the street itself, as opposed to a larger radius

from the street, would therefore place disproportionate exposure to pollution on lower-income residents.

The AHC also cannot determine the extent to which Seattle is supporting development of incomerestricted housing in areas served by transit because it is not clear if Seattle will expand its MHA areas. If Seattle increases residential densities before or without expanding the MHA areas, market rate development could occur, representing a significant missed opportunity to create incomerestricted affordable housing units.

Recommendation 3: To align with CPPs H-16, H-17, and H-18(c) Seattle should reevaluate opportunities to increase residential densities to maximize the investment of light rail and other high-capacity transit investments without placing a disproportionate exposure to pollution on low-income households. Seattle should consider expanding the MHA areas commensurately with the scale of proposed upzones, concurrently with increases in residential density.

4. Provide more detailed implementation strategies (CPP H-27)

Relevant Countywide Planning Policies

CPP H-27 requires jurisdictions submit strategies implemented during the reporting period to advance the policies of the CPP Housing Chapter.

Seattle's Proposal and AHC Findings

Seattle submitted twenty implementation strategies to the AHC, which primarily name existing programs and policies, such as the Equitable Development Initiative and Seattle's housing funding policies, at a high level. This reflects the significant work already underway in Seattle to meet its housing need. However, these broad categories pose a challenge for AHC staff to understand what specific actions Seattle has taken in a given year and limits AHC staff's ability to identify new actions Seattle may take that other jurisdictions could learn from.

Recommendation 4: After adoption of its comprehensive plan, Seattle should submit more detailed implementation strategies that outline discrete actions AHC staff can measure annually. AHC staff will coordinate and provide additional guidance to support this recommendation in 2025.

Conclusion and AHC Resources

Thank you again for your submission to the Committee's housing-focused comprehensive plan review program. AHC members valued the opportunity to review Seattle's draft One Seattle Plan and related submission materials. Seattle's participation in the plan review program is instrumental in the broader work of the Committee to empower local jurisdictions to address the affordable housing crisis in King County.

AHC staff are happy to assist Seattle in addressing these recommendations. For immediate resources and guidance on aligning with the CPP Housing Chapter, refer to the:

- Engrossed 2021 King County CPPs;
- AHC Housing-focused Draft Comprehensive Plan Review Program Guide;

- King County Resources for Documenting the Local History of Racially Exclusive and Discriminatory Land Use and Housing Practices; and
- Countywide Planning Policies Housing Chapter Frequently Asked Questions.

If you have questions or need additional information regarding aligning with the CPP Housing Chapter, please contact lead staff for the AHC plan review program, Carson Hartmann, at AHCplanreview@kingcounty.gov or at 206-848-0681.

Sincerely,

Claudia Balducci

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