



HALA Community Focus Groups
Lower Density Urban Village Focus Group | Meeting #4
Monday, August 22, 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 Lower Density Urban Village Focus Group's fourth meeting.

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

Geoff announced that the City Council recently adopted the Mandatory Housing Affordability-Residential (MHA-R) framework legislation. Geoff 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. Geoff 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. Geoff 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.

Geoff 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, Geoff encouraged Focus Group members to continue use the online [HALA.Consider.it](https://www.halaconsiderit.com) platform to contribute to the citywide conversation about affordable housing strategies.

Examples of MHA Developments

Geoff introduced examples of development under MHA for three additional zones: Lowrise 1, Lowrise 3, and Neighborhood Commercial 75. Geoff 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:

I. What stood out in these examples?

- Removing the density limit in Lowrise 1 provides developers with the opportunity to create more units without changing the size of the building. That could potentially have a greater impact on the surrounding neighborhood.

2. What aspects of the examples did you like? What aspects did you not like?

- The Neighborhood Commercial 75 illustrations and information are helpful, and the larger building is welcome. However, buildings of that size should provide neighborhoods with a larger number of units than current projections show.
- The entrances to buildings should always face the street to enhance resident accessibility and enhance the streetscape.

3. Are there any changes that you would recommend or other ideas the City should consider?

- The existing density limit for Lowrise 1 is important. This is often a transition zone between urban villages and single-family areas. Therefore, the City should manage development in these zones at the edge of urban villages more deliberately.
- Retain a density limit of some amount in the Lowrise 1 zone. Don't remove it completely because that would lead to a monoculture of very small units.
- The City should incentivize or require developers to build a variety of housing types in the Neighborhood Commercial 75 buildings. A larger percentage of the affordable homes constructed should be family-friendly, not just studio and one-bedroom units.
- In Lowrise 3, removal of side setbacks will be jarring to neighboring houses.
- Payment and performance requirements in the densest areas of urban villages should be as high as possible.
- Keep the future in mind when expanding urban village boundaries and making zoning changes. Areas considered inaccessible for public transit now will not necessarily be inaccessible in 20 years. It is short-sighted to focus density only near current transit corridors. MHA needs more flexibility in zoning laws to allow for these types of changes.
- It is important to incorporate public space in or around buildings in the Neighborhood Commercial 75 zone. Incorporating this space is a way to enhance the development's value not just to developers and businesses but to the overall neighborhood and community. This strategy may need to be considered on a case-by-case basis, but the City should develop a standard. Also prioritize front entrances instead of side entrances in buildings.
- What will be the impact on parking?
- It will be important to figure out what will pencil out for developers.

Final MHA Implementation Principles and Focus Group Process Update

Geoff 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.

Geoff 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

Geoff 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, Geoff 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.

Geoff 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

Geoff 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. Geoff invited members to share their ideas and questions about how Alternative 3 could be framed to minimize displacement. Geoff 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:

- It is important for the City to define displacement resulting from different causes. Could the City potentially develop a model distinguishes displacement associated with development from other causes, such as economic displacement? If the EIS incorporated this approach, it would allow the City to estimate displacement risk more accurately.
- The City could inventory landlords who are already charging low rents. Furthermore, the City could work with landlords to get data that may help to measure displacement risk more accurately.
- Landlords in many areas of Seattle are challenged by increasing property taxes. These costs then need to be passed along to renters, and rent costs increase as a result. The City could study the potential effect of tax deferments (or other programs) on mitigating rising rent costs and decreasing displacement. Another option would be to use money from MHA payments to subsidize smaller landlords and maintain the city's existing low-cost market-rate housing.
- While directing development to certain areas of the city might reduce physical displacement, economic displacement will continue to occur unless housing supply keeps up with demand. A solution to housing scarcity would be to increase the number of available homes citywide.
- MHA policies that would increase affordable housing in certain areas with high displacement risk could create affordable housing "hot spots" in the city and hinder equity goals. The EIS should consider these factors.
- The City should phase in zoning changes to minimize the indirect displacement that rising rents cause. This could help to smooth community transitions and help residents.
- The City needs to allow time for infrastructure improvements to be made so that areas near urban villages can support growth.
- The people of Seattle need a solution for affordable housing as quickly as possible. Preservation of small-scale projects is the most efficient way to meet the need for affordable housing.
- Does the City have the right to refuse turnover of buildings? The investments could be directed into land banking.
- Could a fee or tax such as Vancouver's be considered for individuals or companies from out-of-state or out-of-country buying up Seattle's real estate? Funds could then be directed towards enhancing affordable housing.
- Prioritize affordable housing in areas with a high risk of displacement, but also focus it in areas of high opportunity. Distribute affordable housing evenly to create true mixed-income communities.
- Access to jobs and economic opportunity is a crucial policy lever.
- Can the affordable housing plan incorporate phasing/prioritizing in order to serve immediate needs instead of making zoning changes citywide?

Geoff 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 the observers in attendance to share brief comments with the group:

- One observer stated that, as a landlord and small developer, their perspective had not been commonly shared in the Focus Group meetings until this one. The observer also noted that they could answer certain questions raised during the meeting. The observer responded to a comment about the removal of density limits being a “give” to developers. The observer explained that going from a 1,000-square-foot unit to a 500-square-foot unit is not valuable to developers because the developer would need to then build more features into each unit, such as walls. The observer shared that they personally prefer to develop larger units because it allows for more flexibility, though they noted that larger units do not seem like a common trend in the current Seattle market, which seems to be responding to an increased demand from individual households.
- One observer recommended that the group read an article on the editorial page of the *Seattle Times* about equity, which highlighted the underlying issues of equity in home ownership. The article talked about the downside of cutting out portions of the population from achieving the American Dream. The current environment incentivizes developers to build and outbid individuals. The observer shared their concerns that Seattle needs to be careful to not hasten the demise of goal of homeownership. The observer also stated that they would feel more comfortable with this process if they were convinced that City Council was giving it the same time and thought that the Focus Group members are.
- One observer shared that the American Dream of owning a home is still very important to people, but that it is not easy and it takes time. People need to save, budget, and sacrifice. The observer expressed their lack of support for encouraging development, because renters end up not gaining anything. The observer thought that it would be better for the City to offer classes about budgeting and to not minimize the work ethic behind the process of purchasing a home. The observer said that young people are used to instant gratification and say that they can never afford a home in Seattle, but that is not true. The City should not give things away to people, but instead teach them to be money smart.

Next Steps

Geoff 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. Geoff said the City and facilitators would be in touch once they determined the final date for this joint meeting. Geoff 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:

- | | | |
|--------------------|--------------------|---------------------|
| • Angus Davis | • Eldan Goldenberg | • Mallory Kronlund |
| • Anna Bonnett | • Erin Kelly | • Mary Holscher |
| • Carson Dietz | • Ginnie Hance | • Maryl Kohl |
| • Hartmann | • Jenny Weinstein | • Maureen Caruso |
| • Charles Loeffler | • Kristopher | • Mike Caughey |
| • Cindi Barker | • Clemmons | • Nancy Zugschwerdt |
| • Dawn Gearhart | • Mahim Lakhani | • Shannon Goodwin |

- Steve Butler

Observers:

- Lee Raaen
- John Bito
- Sachin Kukreja
- Deb Nollette
- Tawny Bates
- B Williams

Project team and other City staff:

- Geoffrey Wentlandt, Office of Planning and Community Development
- Vinita Goyal, Office of Planning and Community Development
- Susan Hayman, EnviroIssues
- Jentien Pan, EnviroIssues