

Housing Affordability and Livability Agenda
Advisory Committee Meeting
November 4, 2014, 11:30 AM – 1:30 PM
Seattle City Hall, Norman B. Rice Room

Advisory Committee and Steering Committee members present: Cindi Barker, Maria Barrientos, Catherine Benotto, Betsy Braun, Mitch Brown, Sylvester Cann IV, Councilmember Sally Clark, Alan Durning, Merf Ehman, Hal Ferris, Sean Flynn, Ubox Gardheere, Gabe Grant, Jonathan Grant, Marty Kooistra, Paul Lambros, M. A. Leonard, Andrew Lofton, Don Mar, David Moseley, Mayor Ed Murray, David Neiman, Councilmember Mike O'Brien, Estela Ortega, Co-Chair Faith Li Pettis, Lisa Picard, Kristin Ryan, Jon Scholes, Jermaine Smiley, Diane Sugimura, Steve Walker, Co-Chair David Werthheimer, Maiko Winkler-Chin; *Staff Presenters:* Emily Alvarado, Leslie Brinson Price, Geoff Wentlandt; *Facilitator:* John Howell

Welcome and Introductions

Mayor Murray welcomed members of the Advisory Committee. He said that housing affordability is one of the most challenging aspects of creating a livable city. A recent Brookings Institution book, *Confronting Suburban Poverty in America*, points to the inability of people at lower income levels to live in urban centers. Seattle has a history and culture of developing innovative solutions and building the public-private partnerships to put them into practice. This Advisory Committee has the contacts, knowledge and constituencies to bring the interests of all residents into the discussion.

Council Members Clark and O'Brien worked closely with the Mayor in developing the Advisory Committee. Council Member Clark noted that the committee brings together people from different disciplines with different knowledge and passions, and that all viewpoints are needed. Council Member O'Brien noted that the committee will need to consider the narrative describing what Seattle wants to become and who the city is for, and then to apply a framework and various tools to work toward that vision.

The Mayor thanked Advisory Committee Co-Chairs Faith Pettis and David Wertheimer. They, in turn, thanked Advisory Committee members for being willing to commit their time to serve on the committee and help develop recommendations.

Committee members introduced themselves and spoke briefly on their area of expertise and reasons for being interested in the Advisory Committee's work. Themes from these introductions included the following:

- Committee members described a wide and impressive range of skills and expertise they bring to the HALA: housing finance, law, architecture, landscape architecture, for profit and nonprofit housing development, development incentives, land use codes, housing ordinances, comprehensive plans, housing plans, the Housing Levy, affordable family and senior housing, housing for low-income people and those who have struggled with homelessness, multifamily and mixed use developments, workforce housing, urban infill development, construction, other

aspects of community planning (such as transportation and parks), tenants' rights, landlord support, neighborhood planning, community interests, education to close the opportunity gap, immigrant and refugee communities, labor, college students, public administration, community organizing, crisis response, public-private collaboration, energy and biological diversity, sustainability

- A vision for the city as a place where families and individuals of all incomes can live and thrive
- Acknowledging the trend toward growth and density, and that we can and should guide growth toward the city we want to be
- Interest in using planning and policy tools to increase the supply of affordable housing
- Interest in housing's role in providing access to opportunity, including jobs, transportation, parks, education and healthy living
- Concern about displacement and the populations who do not show up in housing statistics because they cannot afford housing in Seattle
- Interest in identifying and building on what works
- Importance of collaboration and public-private approaches

Leslie Price, a Senior Policy Advisor in the Mayor's Office, will be the Advisory Committee's liaison to the staff. John Howell of Cedar River Group will be the facilitator for the Advisory Committee to ensure that discussions are robust, that each member has the opportunity to be heard, and the committee is staying on track.

Materials Review, Charge and Process

Advisory Committee members received a notebook containing background materials on the Advisory Committee's process and on housing affordability. Ms. Pettis encouraged committee members to read the Committee's Statement of Purpose and the City Council resolution (under Tab 2) establishing the committee and its charge, along with the timeline for the committee's work and the public input process (under Tab 3). Public meetings have been scheduled for the evenings of November 19 and 20, and December 4. In addition, there will be Strategy Workgroups composed of Advisory Committee members, staff, outside stakeholders and experts. These workgroups will develop detailed information and proposals for the full Advisory Committee to review and consider. The areas of focus for each workgroup have not yet been determined. The ultimate goal is for the Advisory Committee to develop recommendations for the Mayor's and City Council's consideration by May 2015.

The staff will provide updates to the City Council at key points in the process. Advisory Committee meeting materials will be posted on a website. The Mayor's Office's online commenting system will provide for ongoing public comment and questions.

In response to a question about the Steering Committee's role, Mr. Howell said that the Steering Committee will provide guidance and be a sounding board for Advisory Committee ideas, but will not approve the Advisory Committee's recommendations.

Mr. Howell reviewed the meeting agenda and noted that the first few meetings will involve presentations of information in order to be sure all committee members have the same base of information.

Ground Rules

Draft ground rules for the Advisory Committee meetings were in the background notebooks (Tab 1). Mr. Howell asked committee members to review the draft, let him know of any questions they have, and come to the next meeting prepared to discuss and adopt ground rules. Mr. Howell highlighted the following topics in the draft ground rules:

- *Closed meetings* – The Co-Chairs and staff carefully considered how best to balance the need for candor and developing mutual trust among Advisory Committee members with the need for transparency and providing opportunities for public input. The ground rules propose that Advisory Committee meetings not be open to the public or news media. There will be multiple opportunities for public information and input, including the planned public forums, materials posted on the website and online comment opportunities.
- *Committee decisions* – The goal will be to reach unanimous consensus for committee decisions. If consensus is not possible, the committee report will capture what the differences were.
- *Public meeting attendance* – The expectation is that all committee members will attend at least one of the public meetings.
- *Alternates* – Given the complexity of the subject matter and depth of conversation needed, the hope is that committee members will attend all Advisory Committee meetings. If a member cannot attend and wishes to send someone else in his/her stead, that is permissible, but the representative will not be allowed to participate in discussion or voting.
- *Meeting summaries* – Summaries of committee meetings will be distributed to committee members and posted online.
- *Media contact* – If members of the media ask committee members about the committee's deliberations or work, committee members should refer the questioner to the Co-Chairs. Members are free to answer media questions about housing issues and their own and their organization's views. If a member has an issue with the Advisory Committee's work, the member should raise that at an Advisory Committee meeting before speaking about the concern publicly.
- *Information requests* – Outside of the regular meetings, members should direct any questions or requests for information to Ms. Price or Mr. Howell.

Background Information Presentation

Leslie Price (Mayor's Office), Geoff Wentlandt (Department of Planning and Development), and Emily Alvarado (Office of Housing) presented the following key points about the need for affordable housing and existing efforts. Sources included the city's Comprehensive Plan and a report of the Housing Commission. Most of the slides summarizing housing data and City programs are included in the background notebook (under Tabs 4, 5 and 6). Some of the key points made during the presentations include the following:

1. Seattle is one of the nation's fastest growing cities. The City is projecting Seattle's population will grow by about 115,000 people in the next 20 years and that a 20 percent increase in the city's housing supply will be needed.
2. City policy affects housing directly and indirectly.
3. In considering whether housing is affordable, it is assumed that a household should spend no more than 30 percent of its income on housing related expenses (rent, mortgage, taxes, utilities, etc.).
4. The current supply of affordable housing does not meet the current need. Slides showed the rental housing gap for households at 30 percent, 50 percent and 80 percent of area median income (AMI), and the affordability of one-bedroom apartments for people in several different example occupations.
There was a request to show the annual income for each of the example occupations in the slide.
5. Most of the growth areas for multifamily housing are in areas designated as Urban Villages and Urban Centers, which the City also prioritizes for transportation and parks.
6. The limited number of new affordable housing units being developed and the current trend in increasing rental rates create challenges to meeting housing affordability goals.
7. There has been an increase in tenant displacement. The Tenant Relocation Assistance program is the main tool the City currently has to help, and is available to those whose incomes are at 50 percent of AMI or below.
8. Certain groups, including persons of color, are disproportionately likely to have housing costs they cannot afford. Substantial shares of Black or African American households in Seattle are paying more than half of their income for housing. Households of color also tend to have lower rates of home ownership.
9. Several City programs address housing, including Comprehensive Planning, Design Review and Code Compliance programs of the Department of Planning and Development, and the production and preservation, weatherization, sustainable homeownership, incentive and tax exemption programs of the Office of Housing.
10. In conclusion, staff presented a slide that starts to indicate the amount of housing at different affordability levels needed to accommodate the addition of 70,000 households in 20 years. If these new households have the same income distribution as households today, more than 28,000 of the 70,000 housing units added in Seattle during that time period will need to be affordable to households with incomes at or below 80 percent of AMI. However, the 28,000 figure gives only a *partial* sense of the amount of affordable housing needed because:
 - It does not account for the likely fact that some units affordable at or below 80 percent of AMI will be occupied by higher-income households; and
 - It does not include existing unmet need for affordable housing (at 0 to 30 percent of AMI, for example, there is an existing shortage of 23,500 affordable and available renter units).

Next Steps

As a follow-up to the presentation, committee members requested the following additional information:

1. SHA housing – number of units, number of families, income levels served, waiting lists
2. Housing Levy production in the last 30 years – number of units, income of residents
3. Developer Incentive program – How many developers have participated? How many units have been created, for what income level, and where are the units located?
4. Housing production in Urban Villages and around transit hubs – how much housing and for what income levels?
5. Copies of recent housing ordinances the City Council has adopted
6. Development Capacity Report
7. DPD – How many rehab permit requests they are getting, i.e., housing turned into more expensive housing
8. SHA – the number of people with Section 8 housing vouchers who have had to relocate outside Seattle (i.e., displaced)
9. Generally what do we know about where individuals and families are relocating once they are displaced?
10. What is the diversity of demand and supply for housing?
11. Number of family units of 2+ bedrooms produced, affordable, demolished. What's been produced by government, nonprofits and private developers?
12. What universe of residential buildings are reflected by the data? (Response: Used Dupre and Scott market rate for buildings with 20+ units, and American Community Survey data)
13. Change in land value or sales prices (2005 to today) for land in multifamily zones
14. How much real estate taxes and other costs (e.g., utilities) have increased
15. Estimate of the number of empty bedrooms in a typical night in Seattle
16. Population trends in the single-family zones
17. Existing funding sources and what we expect revenues to be, and how much housing can we anticipate providing with expected resources
18. What is happening in single family zones with respect to the rents for smaller units, and the percentage of units used for rental purposes?
19. What is the supply of ADUs and DADUs in the marketplace? Since the City allowed them, do we know if supply has increased? If so, by how much?

In closing, Mr. Howell asked committee members to review before the next meeting the City Council resolution and charge to the committee and the draft ground rules, and to attend at least one of the three scheduled public meetings to listen to the public's comments and questions.

The next Advisory Committee meeting will be on Thursday, December 11, at 3:00 PM. The room location of the next meeting is to be determined. Staff will send a notice to Committee members in advance of the next meeting.