

AGENDA

Housing Affordability and Livability Advisory Committee
January 7, 2014; 3:00 – 5:00 PM
Boards and Commissions Room L280, Level L2, Seattle City Hall

- 3:00 Welcome and Introductions (*Co-Chairs Faith Pettis and David Wertheimer*)
- 3:10 Review Agenda (*John Howell*)
- 3:15 Discussion about Defining Affordable Housing Problem (*Group*)
- Review and discuss draft problem statements
 - Review and discuss draft graphic representation of problem (to be distributed at meeting)
 - Is there agreement on the definition of the problem the committee is attempting to address?
- 4:20 Follow Up on Creation of Work Groups (*Co-Chairs*)
- Schedule and next steps for work groups
- 4:40 Follow Up on Information Requests (*Leslie Price*)
- Brief summary of follow up to committee requests for additional information
- 4:55 Next Steps
- 5:00 Adjourn

Housing Affordability and Livability Agenda (HALA)

1/6/2015

What is the problem we are trying to address?

- There is a need for affordable housing for households earning a range of incomes, many of whom work in some of Seattle's most prevalent occupations.
- The need for affordable housing is greatest for extremely low and very low income households, particularly for households with incomes at or below 30% of Area Median Income.
- Housing provided by the private market in Seattle is an essential part of affordability and livability solutions, but is not typically affordable to households at the lowest incomes.
- In a growing city, new housing supply is important to relieve pressure on rent levels but not sufficient to achieve affordability for everyone.
- Development and housing options are limited by the land use regulations that seek to address many goals.
- Rising housing costs leads to displacement of low income renters.
- Housing affordability and livability is a race and social equity issue; people of color experience severe housing cost burden (i.e., spend more than 50% of their income on housing costs) at disproportionate rates compared to white households.
- Aside from cost, discrimination remains a barrier to housing access.
- Existing programs, resources, and strategies do not meet the current and projected need for affordable housing.

Housing Affordability and Livability Agenda

1-16-2015

Strategy Work Groups

- The strategies listed under each group are provided as a starting place for the work groups. Strategies are a combination of City staff generated ideas, suggestions from HALA members and ideas from the HALA community meetings.
- Groups should expect to meet at least 3 times and as frequently as necessary to accomplish the strategy work by the end of April.
- Background papers will be provided for strategies proposed by staff. Those proposed by HALA members (in italics within the work group lists) may need research / background materials to be provided.
- Facilitation will be managed by City staff and will be directive in helping the group establish and manage priorities, as well as facilitative of the process. Each group will be supported by additional staff from the relevant city departments.
- Staff will make best efforts to accommodate schedules using a meeting scheduling tool like Doodle. However, because time is of the essence, meetings will sometimes need to be held when some members are unavailable. Notes from meetings will be shared by city staff to the group electronically to maintain a consistent flow of information.
- HALA Advisory Committee members will report the strategy recommendations of their work groups to the Committee for consideration. The timeline for report backs will be developed as work gets underway.

Workflow of Groups:

Groups should assume resources will be available when creating their strategies. Resource constraints will be addressed as part of the prioritization exercise when HALA combines proposals into a suite of recommendations.

- Development of work plan, initial selection of strategies to work on
- Background information & data from staff
- Initial identification by Do/Develop/Explore (see below)
- Development of strategies and range of options
- Application of racial equity analysis questions
- Finalize recommendations and Do/Develop/Explore categorization

Outcomes:

- Strategies should be categorized by the following priority levels:
 - **Do: Priority strategy for immediate action.**
A “Do” is a strategy that is both a high priority and a strategy that is ready for immediate action.
 - **Develop: Take action on strategy within 5 years.**
A “Develop” is a strategy that shows great potential but also requires additional research or analysis to be ready for action. Work groups should identify the gaps and provide next steps toward action.

- **Explore: Research and cultivate the strategy**
An “Explore” is a strategy that shows potential but requires more effort than the time allotted to resolve basic issues or questions. When possible, each work group should produce roughly 5 strategies, with at least 1-2 immediate actions, described as “Do” above.
- Where relevant, work groups may identify the range of options for individual strategies and the spectrum of impact that each could have.

Deliverables:

- HALA Committee members will present work group strategy recommendations to the HALA Committee for consideration.
- Written Documentation for each strategy recommendation that sets the context and defines the policy recommendations, describe the potential impacts of each strategy, identifies the stakeholders impacted and explains any areas of major disagreement among work group members.

A few ground rules to keep in mind...

- Work Group meetings are for invited guests only. Members of the work groups are encouraged to discuss ideas and solicit the feedback of their stakeholders/organizations outside the meetings.
- The work groups are comprised of people with a variety of perspectives and interests. Differences of opinion are to be expected and will be respected by the work group and its members. Work group discussions will be characterized by careful deliberation and civility.
- The Work Groups are encouraged to think creatively about potential solutions for the topic the group has been asked to address. Work Group members will work to understand the different points of view and perspectives of other members. Questions to better understand each member’s interests are encouraged.
- Inquiries from the media about the work of the Work Groups should be directed to the HALA Co-Chairs. Any member may speak to the media or other groups or audiences regarding issues before the Work Group, provided s/he speaks only for her or himself. Members agree to bring issues or concerns to the Work Group or Co-Chairs before raising them with others in a public fashion.

(1) Financing

Increase production through new financing tools and expansion of existing programs.

Work Group

<i>Facilitator:</i>	<i>Lindsay Masters, OH</i>
<i>Assigned HALA Members:</i>	<i>Maria Barrientos Hal Ferris Kristin Ryan</i>
<i>Additional HALA Members:</i>	<i>MA Leonard Sylvester Cann IV</i>
<i>Invited External Participants:</i>	<i>Mark Dean, Citibank Greg Dunfield, GMD Development Jay Reich, Pacifica Law Group Darin Davidson, Inland Development Cindy Proctor, Beacon Development Tory Laughlin Taylor, Bellwether Sean Canady, GGLO Tory Quinn, USBank Mark Ellerbrook, King County</i>
<i>City Staff:</i>	<i>Tom Mack, OH Mike Kent, OH Jeanette Blankenship, CBO Sara Belz, LEG Traci Ratzliff, LEG Kelsey Beck, CM Clark's Office Leslie Price, MO Quinnie Tan, FAS Gregg Johanson, FAS Jen Chan, FAS</i>

Strategies

1. Use City credit enhancement, interest buy down or other financing strategies to catalyze large-scale affordable housing and/or mixed income developments, leveraging available Washington State Housing Finance Commission and Seattle Housing Authority bond authority
2. Implement refinancing opportunities that generate proceeds to extend the useful life of existing projects and/or repayment to finance new production
3. Strengthen the Multifamily Tax Exemption (MFTE) program to more effectively spur development and retention of mixed-income rentals including *extending MFTE to 20 years and requiring those that participate to stay with program for the entire term (HF)*.
4. Consider other countries' financing methods – *Germany's 70 year loans that are inheritable (BB)*
5. *Revolving loan fund started w/ public and private sources, similar to SF and NYC (HF)*

6. *Establish an ongoing education program for developers, operators and lenders of housing of the programs the city creates(HF)*
7. *Discuss recommendations of topics to Housing Levy committee (MA, MB)*

(2) New Affordable Housing Resources

Increase resources and opportunities for affordable housing to meet high demand.

Work Group

<i>Facilitator:</i>	<i>Miriam Roskin and Emily Alvarado, OH</i>
<i>Assigned HALA Members:</i>	<i>Ubox Gardheere Paul Lambros Jon Scholes MA Leonard David Moseley</i>
<i>Additional HALA Members:</i>	<i>Bill Rumpf Hal Ferris Maria Barrientos Marty Kooistra Maiko Winkler-Chin</i>
<i>Invited External Participants:</i>	<i>Rachael Myers, WLIHA Paul Purcell, Beacon Development Group Scott Matthews, Vulcan Kevin Daniels Hillary Franz, Futurewise Pat Foley, Lake Union Partners Dave Cutler, GGLO Megan Hyla, KCHA</i>
<i>City Staff:</i>	<i>Brennon Staley, DPD Laura Hewitt Walker, DPD Mike Kent, OH Lisa Mueller, CBO Kenny Pittman, OIR Ketil Freeman, LEG Traci Ratzliff, LEG Kelsey Beck, CM Clark's Office Leslie Price, MO Vanessa Murdock/Diana Canzoneri, SPC Quinnie Tan, FAS Gregg Johanson, FAS Jen Chan, FAS</i>

Strategies

1. Support a proposed Medicaid benefit for permanent supportive housing for chronically homeless people with disabilities and for supportive services to at risk tenants in affordable and subsidized units.
2. Explore options for other funding sources, e.g., hospitals, large employers, foundations.
3. Consider State legislation to authorize a local option Real Estate Excise Tax (REET) for affordable housing.
4. Structure city-wide Linkage Fee program to appropriately mitigate the impacts of new development on the need for affordable housing
5. Redirect Seattle's share of property tax from non-participating, MFTE eligible new development to affordable housing.
6. Utilize surplus City-owned properties for affordable housing. Identify opportunities to use properties owned by county and state governments, institutions and organizations (e.g. churches, unions, etc.) for development of affordable housing.
7. Consider strategies to facilitate acquisition of sites, such as direct city-supported acquisition of properties (for future affordable housing development or existing apartment buildings), development of partnerships to use public land owned by jurisdictions other than the City, expansion of existing bridge financing program, seed funding to the regional Transit Oriented Development (TOD) Regional Equitable Development Initiative (REDI) fund and/or *using ST3 funding to buy land around stations.*
8. Develop policy that authorizes the City to designate specific sites or places (e.g. TOD area) for targeted investment, setting a common goal for multiple departments that do site-specific investment.
9. Develop stronger interagency partnerships to develop affordable housing at/around transit stations, including potential use of air rights.
10. Create programs/allowances for an increase in student housing near campuses, including partnerships with institutions.
11. *Use hotel-motel tax revenue to acquire or build affordable housing for hospitality and tourist industry workers.*
12. *Bring back City Growth Fund. (JS)*
13. *Prioritize state discretionary funding to support communities in affordability and livability goals. Similar to Mass. (HF)*
14. *Expand the Housing Trust Fund.*
15. *Hospitality tax.*
16. *Housing bond Program?*

(3) Zoning and Housing Types

Increase production of a broader variety of housing.

Work Group

<i>Facilitator:</i>	<i>Geoff Wentlandt, DPD and Susan McLain, DPD</i>
<i>Assigned HALA Members:</i>	<i>Catherine Benotto David Neiman Alan Durning Cindi Barker Betsy Braun Lisa Picard Gabe Grant</i>
<i>Additional HALA Members:</i>	<i>MA Leonard Maria Barrientos</i>
<i>Invited External Participants:</i>	<i>Bradley Khouri Betsy Hunter, Plymouth Housing Group Erich Armbruster Renee Staton Sam Lai, Green Canopy Homes Catherine Weatbrook</i>
<i>City Staff:</i>	<i>Mike Podowski, DPD Esther Handy, CM O'Brien's Office Heather Burns, OH Kathy Nyland, MO Brennon Staley, DPD Laura Hewitt Walker, DPD Ketil Freeman, LEG Traci Ratzliff, LEG Leslie Price, MO Vanessa Murdock/Diana Canzoneri, SPC</i>

Strategies

1. Remove remaining code barriers to Accessory Dwelling Units (ADUs). Consider:
 - a. The either/or rule (DADU or ADU)
 - b. Application of the household size limit
 - c. The parking requirement
 - d. The owner occupancy requirement
2. Launch a Density by Design housing pilot program to demonstrate (build) housing innovations (or change code without a pilot phase). Consider changes such as:

- a. Allow two houses, or duplex/triplex options, on corner lots, large lots or other circumstances in single family areas. (AD, CB)
 - b. Allow a version of lowrise multi-family units in SF neighborhoods. (MD)
 - c. Allow subdivision and separate ownership of ADUs and DADUs (AD)
 - d. Multi-generational housing
3. Incentivize development of affordable family friendly housing, through tools such as family friendly design guidelines.
4. Explore impact of code requirements governing the number of unrelated residents in a housing unit on affordability (currently 8 per household). (AD)
5. Allow flexible reuse of large infill development sites for housing.
6. Review parking requirements, to support housing affordability. Consider:
 - a. Maintaining no minimum requirements for affordable housing, if there is re-introduction of some parking requirements to urban villages for market rate housing.
 - b. Implementing residential parking benefit districts and/or parking permit markets, initially in dense neighborhoods and ultimately in most neighborhoods. (AD)
 - c. Phasing out residential parking requirements citywide. (AD)
7. Provide relief from prescriptive design and use standards, or reduce other permitting requirements for affordable housing. (DM)
8. Advance zoning changes such as housing density increases - especially near transit or other specific locations – via the major Comprehensive Plan update (Seattle 2035). Consider approaches such as:
 - a. Expanding urban village boundaries or adding new urban villages.
 - b. Identifying areas where Single Family zoning could be modified.
9. Review or reconsider recently passed regulations for neo-rooming houses (aka, microapartments, micro-housing). Consider legal barriers to micros as condo. (AD)
10. Consider modifications to multi-family zoning such as:
 - a. Encourage more brownstone-style rowhouses. (AD)
 - b. Encourage or require more variety of unit size/type in multi-family zoning, or use more form-based zoning (CB, GG).
 - c. Review pending Lowrise multi-family zoning corrections
11. Expand use of Transfer of Development Rights (TDR) to achieve greater variation in scale and density and to preserve priority neighborhood structures.
12. *Revisit incentive zoning. Look for offered upzones that provide value to the developer. Add incentive for affordable housing everywhere in the city. (MB) Look at Bellevue for FAR/affordability incentive link? Negotiated developer agreements that require affordability.*

(4) Construction Costs and Timelines

Create efficiencies in construction costs and timelines to reduce housing costs.

Work Group

<i>Facilitator:</i>	<i>Geoff Wentlandt, DPD</i>
<i>Assigned HALA Members:</i>	<i>Gabe Grant Don Mar Sylvester Cann IV</i>
<i>Additional HALA Members:</i>	<i>Catherine Benotto David Mosely Maria Barrientos</i>
<i>Invited External Participants:</i>	<i>Markham McIntyre, Chamber of Commerce Doug Ito, SMR Architects Heather Bunn, RAFN Al Levine Grace Kim, Planning Commission Jake Mckinstry, Spectrum Development Brandon Morgan, Vulcan Dale Sperling</i>
<i>City Staff:</i>	<i>Roberta Baker, DPD Lisa Rutzick, DPD Laurie Olson, OH Melissa Lawrie, CBO Ketil Freeman, LEG Traci Ratzliff, LEG Leslie Price, MO</i>

Strategies

1. Evaluate coordinated permit expedition for affordable housing within DPD and other departments.
2. Waive or reduce permit and utility connection fees, threshold standards, or latecomer fees, for DADUs or other forms of affordable housing.
3. Improve the design review process for even greater predictability and efficiency.
4. Modify SEPA thresholds in certain locations or execute SEPA planned actions
5. Evaluate SPU criterion for utility main extensions
6. Encourage pre-fab/modular housing and ramp up pre-approved standard plans program.
7. *Operating costs – how to trim energy, water, garbage, sewer, phone/data, maintenance, taxes (super-efficient buildings cost much less to operate). (AD)*

(5) Tenant Access/Protections

Increase tenants' access to safe, affordable housing.

Work Group

<i>Facilitator:</i>	<i>Jim Metz, DPD</i>
<i>Assigned HALA Members:</i>	<i>Sean Flynn Mitch Brown Merf Ehman</i>
<i>Additional HALA Members:</i>	<i>Estela Ortega Jonathan Grant Sylvester Cann IV</i>
<i>Invited External Participants:</i>	<i>Natalie Quick Joe Puckett, WMFHA Kira Zylstra, Solid Ground Billie Abers, Capitol Hill Housing Vanessa Hernandez, ACLU Jim Tharpe, Unity House Lisa Wolters, SHA</i>
<i>City Staff:</i>	<i>Faith Lumsden, DPD Maureen Kostyack, OH Cheryl Collins, OH Emily Alvarado, OH Brenda Anibarro, OCR Sola Plumacher, HSD Traci Ratzliff, LEG Kelsey Beck, CM Clark's Office Leslie Price, MO</i>

Strategies

1. Pursue policies and legislation to address housing barriers for people with criminal records, checkered rental histories, and other issues.
2. Increase access to private market housing for homeless people by supporting the Landlord Liaison Project, Landlord mitigation funds, and other tools.
3. Increase impact of Tenant Relocation Assistance Ordinance (TRAO) Program by, for example, providing resources (i.e. counselling/guidance) to assist low income tenants with application process, increasing the amount of relocation assistance paid or increasing the qualifying affordability levels.
4. Amend the Rental Agreement Regulation Ordinance (RARO) to increase notice requirements for rent increases.
5. Ensure consistent enforcement of fair housing statutes.

6. Absent State legislative action, allow for local portability of tenant screening reports.
7. *Explore state legislative action to increase local control over landlord tenant regulations*
8. *Rent stabilization.*
9. *Increased tenant counseling info.*
10. *Community Service Officers for lock-outs.*
11. *Right to organize enforcement.*
12. *Deposit interest accounts to fund tenant services/affordable housing/tenant protections.*
13. *Excessive lease rules(?)*
14. *Fee reform*
15. *Expand source of income protection.*

(6) Preservation

Preserve or create affordability in the existing subsidized or market rate housing stock.

Work Group

<i>Facilitator:</i>	<i>Dan Foley, OH and Mike Podowski, DPD</i>
<i>Assigned HALA Members:</i>	<i>Maiko Winkler-Chin Bill Rumpf Jonathan Grant</i>
<i>Additional HALA Members:</i>	<i>Paul Lambros Kristin Ryan Cindi Barker Don Mar Ubox Gardheere Sean Flynn Marty Kooistra</i>
<i>Invited External Participants:</i>	<i>Mike Rooney, Mt. Baker Housing George Petrie, Goodman Real Estate Brian Lloyd, Beacon Development John Marasco, Security Properties Sharon Lee, LIHI Denny Onslow, O+S Partners Sarajane Siegfried Ann-Marie Lindboe, SHA</i>
<i>City Staff:</i>	<i>Lindsay Masters, OH Emily Alvarado, OH Laura Hewitt Walker, DPD Kenny Pittman, OIR Traci Ratzliff, LEG Kelsey Beck, CM Clark's Office Leslie Price, MO</i>

Strategies

1. Develop financing models or incentives to preserve or deepen affordability of existing unregulated housing; explore leveraging existing resources such as weatherization funds for this purpose.
2. Explore incentives for market-rate rehabs to set-aside a portion of units as affordable.
3. Explore state legislation to authorize the use of MFTE for rehabilitation of existing housing.
4. Explore targeted tenant assistance to low income households in buildings at risk of losing affordability due to unreinforced masonry (URM) or Rental Housing Registration and Inspection Program (RRIO) requirements; evaluate opportunities to preserve buildings impacted by URM and RRIO programs.

5. Explore feasibility of tracking non-subsidized units affordable to lower-income households.
6. Establish a dedicated funding source to preserve older properties in the city's portfolio.
7. Expand current efforts to collect data on and monitor expiring subsidized units by, for example, conducting proactive outreach to property owners, tenants and stakeholders; and continuing to facilitate property transactions that preserve affordable units.
8. Identify opportunities/tools to prevent displacement as development occurs.
9. *Use public authority to purchase unsubsidized apartment buildings with below market rate rents, adding a regulatory agreement to ensure rents remain affordable over the long term.*
10. *Identify strategies to preserve cultural anchors.*
11. *Establish endowments/programs to fund maintenance/upgrades and repairs (BB)*
12. *Community-controlled development/giving community veto power (UG)*
13. *Livability question – what to do if commercial spaces don't encourage strong neighborhood activity? (MWC)*
14. *Anti-speculation tax - levying a tax on the sale of multifamily properties to discourage the flipping of occupied properties.*

(7) Sustainable Homeownership

Increase sustainability of investments in homeownership.

Work Group

<i>Facilitator:</i>	<i>Jennifer LaBrecque, OH</i>
<i>Assigned HALA Members:</i>	<i>Estela Ortega Marty Kooistra</i>
<i>Additional HALA Members:</i>	<i>Merf Ehman</i>
<i>Invited External Participants:</i>	<i>David Crowell, Sea/KC Realtors Kevin Hunter/Ania Beszterda Alyson, Habitat Dwight Prevo, Wells Fargo Aaron Fairchild, Green Canopy Homes Lili Sotelo, Northwest Justice Project Lisa DeBrock, WSHFC Tony To Diane Wasson John Forsyth, SHA</i>
<i>City Staff:</i>	<i>Laurie Eckardt, OH Sandy Wolff, OH Mohamed Sheik Hassan, OIRA Traci Ratzliff, LEG Kelsey Beck, CM Clark's Office Leslie Price, MO</i>

Strategies

1. Support the stabilization of existing homeowners through implementation of foreclosure prevention strategies and better leveraging existing programs such as the home repair loan and weatherization programs.
2. Research approaches to provide affordable homeownership opportunities to middle income people for whom significant barriers to homeownership exist.
3. *Explore opportunities for existing homeowners to find revenue options and cost-sharing models with existing SF assets (cottage units, collaborative use, etc.)*
4. *Increase land trusts.*
5. *Rent to own protections.*
6. *Savings program for tenants in Levy-funded housing / SHA for tenants to increase moving to homeownership.*

Housing Affordability and Livability Agenda
Advisory Committee Meeting
January 7, 2015, 3:00 – 5:00 PM
Seattle City Hall, Boards and Commissions Room

Advisory Committee members present: Cindi Barker, Maria Barrientos, Catherine Benotto, Betsy Braun, Sylvester Cann IV, Alan Durning, Merf Ehman, Hal Ferris, Sean Flynn, Ubax Gardheere, Gabe Grant, Jonathan Grant, Marty Kooistra, Paul Lambros, M. A. Leonard, David Moseley, David Neiman, Estela Ortega, Co-Chair Faith Li Pettis, Bill Rumpf, Jon Scholes, Co-Chair David Wertheimer, Maiko Winkler-Chin; *Committee Staff:* Leslie Brinson Price, Geoff Wentlandt; *Facilitator:* John Howell

Not Present: Mitch Brown, Don Mar, Lisa Picard, Kristin Ryan, Jermaine Smiley

Action Items

What	Who	By When
1. Revise problem statement and graphic; bring to next committee meeting for approval	Staff	Tues., 1/27/15
2. Contact Leslie Brinson Price with any requests to change work group assignments	Committee members	Fri., 1/16/15
3. Contact proposed external work group participants and contact all work group members to schedule meetings	Staff facilitators for the work groups	Week of 1/12/15
4. Hold work group meetings; begin bringing recommendations to the full Advisory Committee as they are completed	Work Groups	First mtg before next HALA mtg Jan. - April
5. Let Ms. Price know if the Responses to Information requests document does not respond to a question or if there are additional questions	Committee members	Thurs., 1/29/15 (next meeting)
6. Change the format of meeting summaries to call out Action Items more clearly	John Howell	1/7 meeting summary

Welcome and Agenda Review

Co-Chairs Faith Pettis and David Wertheimer welcomed members to the meeting. John Howell reviewed the agenda topics.

Discussion on Defining the Affordable Housing Problem

Written statement of the housing problem

The Advisory Committee discussed a document in the meeting packet titled “What is the problem we are trying to address?” The Mayor and City Council have provided the committee with a set of value statements and broad goals for its work. The draft problem statement is based on data presented in the

committee's first meeting and is an effort to define the affordable housing and livability problem. Mr. Howell encouraged the committee to discuss the content and any important changes to the language.

The following is a summary of the discussion:

- *Urgency:* There were several comments that the statements do not emphasize the urgency of the housing problem. For example, statement four states that new housing supply is "important . . . but not sufficient". It was suggested that it should say "necessary . . . but not sufficient . . ." Other suggestions were to talk about the need as a crisis and the effects such as displacement (mentioned in statement six) as putting people into crisis.
- *Who is impacted:* Several committee members noted that the housing affordability problem does not only affect low-income households but also working families and other low-wage workers, who cannot afford to live in Seattle. The wording "range of incomes" in the first statement needs to be emphasized throughout. It was noted that many young people don't see a path to homeownership or even toward living independently without roommates.
- *Race and social equity:* There was a suggestion to start with the seventh and eighth statements on race and social equity as the first statement as a way to frame the housing problem. Another suggestion was to review how past policies have led to discrimination and segregation, along with the challenges of hidden bias. A member noted that there are cultural differences in housing needs, as well, such as needing housing for larger families. It was noted that there will be a discussion in a future meeting about how the city's race and social justice initiative can help guide the committee's work.
- *Private market:* There was a request to revise the third statement that housing provided by the private market is not affordable, since older housing built in the 1960s and 1970s might be affordable. Or it could be revised by deleting the phrase "but is not typically affordable to households at the lowest incomes." Another suggestion was to reframe the statement to say that the lowest income households cannot find apartments they can afford even with assistance such as Section 8. Another suggestion was to say there is a need to increase the supply of both private market and subsidized units.
- *More clarity needed:* There was a comment that the fourth and fifth statements (about new housing supply and limitations from land use regulations) do not clearly state a problem that needs to be solved. One suggestion was to reframe them to say that both more housing and more housing options are needed. Another suggestion was to add a statement about what the data show as to the reasons for the problem.
- *Housing types and options:* There was a suggestion to make the need for more housing types and options (mentioned in the fifth bullet) into a separate bullet that states we need a balance of housing types to accommodate a variety of living situations. These are not just part of the land use issue.
- *Renting down:* There was a question as to whether it is in the committee's purview to address the issue of people "renting down" (renting for less than the household can afford). Co-Chair Pettis said the committee can look at this issue, but there are some regulatory restrictions on what can be done to solve it.

- *Transportation and location:* Two issues committee members suggested adding to the problem statements are the link to transportation and other amenities, and the importance of the location for affordable housing. It was suggested that affordable housing should be available in all Seattle neighborhoods.
- *Livability:* Members noted that the problem statements focus more on affordability than livability. There was a suggestion to add a statement about developing density while still having open space and other amenities available to all.
- *Expectations:* There was a comment that the expectations that we have created around what housing is prevents us from thinking about creative solutions. It is expensive to build housing to meet those expectations.
- *Unifying statement:* Several committee members suggested having a single unifying statement about the problem of affordability and livability, and that it needs to be clear this is a citywide issue. One member suggested the following: “Housing cost is a barrier to achieving the Seattle we want: a racially, culturally and economically diverse community.” It is not the only barrier but is an important one.
- *Terminology:*
 - A committee member suggested not using the term “affordable housing” in broad statements such as the first one, but instead to talk about the need for housing that is affordable. The term “affordable housing” is usually connected with low-income households, whereas the housing problem affects a much broader group.
 - There was a request to explain what “low-income renters” means or what percentage of the population this represents.
 - There was a request to change “prevalent occupations” in the first statement, since the meaning is not clear and it sounds condescending.

Mr. Howell thanked committee members for their comments. The staff team will use the comments and the committee’s charge to revise the problem statement and bring a revised version to the next committee meeting.

Graphic representation of the housing problem

Geoff Wentlandt presented a graphic titled “Households in Need of Affordability,” that depicts the unmet existing affordable housing need and the projected need in the next 10 years, in four income categories ranging from 0 percent to 120 percent of the area median income (AMI). It is a rough estimation based on the data presented at the first Advisory Committee meeting and some additional data from the American Community Survey.

Mr. Wentlandt and Ms. Price responded to committee members’ questions, as follows:

- *Publicly subsidized housing:* Households whose housing needs are met, such as through subsidized housing or Section 8 vouchers, are not represented in the graphic. The graphic represents affordable housing needs that have *not* been met, that is, households are paying more than they can afford for housing.

- *Extremely Low Income:* The households in this category on the graphic would likely be eligible for assistance programs but are on waiting lists or have not applied. They are living in housing that is too expensive for them or in other arrangements.
- *Future need for Moderate Income residents:* The Moderate Income category (80% - 120% AM) is made up of approximately 70 percent homeowners and 30 percent renters. The graphic does not project need in the next 10 years for this category because changes in lending practices are likely to result in fewer households taking on mortgages above their ability to pay.
- *Needs vs. targets:* The graphic represents needs. At some point, the committee will discuss the issue of targets for affordable housing.
- *Other data:* The graphic represents households in the AMI ranges shown. Data are not available to break down the categories further. There also is no source of data on the people who have left Seattle to find more affordable housing elsewhere.
- *Current capacity:* Seattle's Rental Housing Production Program has produced about 400 units a year.
- *Comprehensive plan:* The housing needs assessment for the Comprehensive Plan is underway and should be ready by this spring. The 10-year need (green bar) is one-half of the estimated 20-year need.

The following summarizes the committee's discussion of the graphic:

- *Moderate Income category:* Several members said they suspect this group is likely larger. Many in the 80% - 120% AMI range cannot find a home they can afford to buy. Many may be "renting down." Several members suggested that the graphic underestimates the number of households in this category.
- *Subsidized and public housing:* The number of households who are housed in public housing or getting subsidies should be shown in the graphic because they represent a risk if housing funds are cut. It would be helpful to know the met need—the capacity of the current programs. However, it may be optimistic to assume the current level of subsidized units will continue over the next 10 years.
- *Households who have left Seattle:* The graphic does not capture the many households who have been priced out of Seattle, though they would like to live here.
- *Size of problem:* The graphic makes clear that the problem is big at many income levels. It is not just a problem for people at the lowest end of the scale.
- *Definition of affordability:* There was a suggestion that the way we define affordability should consider the cost of transportation.
- *Value of graphic:* Several members thought the graphic was helpful as a place to start to understand the size of the problem. Some did not find the graphic helpful, given the number of assumptions behind it and the definitions needed. People always want to know how big a problem is, but it is difficult to get meaningful numbers. A Co-Chair noted that the City Council Resolution charges the committee with coming up with the current need by percent of AMI and an estimate of future needs. The committee's work needs to at least: (1) acknowledge that

there is a problem; (2) acknowledge that the problem is huge; and (3) develop ways to meet the need to the best of our ability.

- *Alternate measures:* A suggestion for another way to measure progress was to (1) show inflation-adjusted rent of housing per square foot in Seattle over time—success would be a rate that stabilizes or goes down; and (2) count the supply of subsidized housing.
- *Show rents in graphic:* The graphic would be clearer for a general audience if each bar showed the rent range that would be affordable at that income range, such as \$0 - \$450/mo. for Extremely Low Income households.
- *Loss of affordable housing:* It would be helpful to have a graphic showing the amount of affordable housing that has been lost. This is important especially because the cost of preserving existing affordable housing is much less than building new housing.

Follow-up on Creation of Work Groups

The Co-Chairs explained the work group structure and expectations (see Strategy Work Groups document in the meeting packet). The nine groups originally proposed have been condensed to seven. The proposed Place-Based work group is now split between two work groups: Resources (#2) and Preservation (#6). There is not a separate work group for livability since there is a livability component to each of the work group areas. The list of work groups shows the HALA Advisory Committee member assignments, external participants (based on suggestions from committee members and others), and the staff facilitators and other city resource staff for each group. The staff are now contacting the recommended external participants. The document also includes a list of suggested strategies for each work group based on suggestions from the last Advisory Committee meeting, comments at the three public open houses, and staff suggestions. The work groups will need to narrow down the list to focus on priority strategies.

The staff tried to accommodate members' suggestions regarding external participants to include different perspectives, but an effort was also made to keep the work groups to a manageable size - a maximum of 15 members, excluding staff. Committee members should contact Ms. Price if they want to be taken off or added to a work group. The work group facilitators will contact Advisory Committee members the week of January 12th to start the meeting scheduling process. The Co-Chairs suggested that the groups start by meeting every other week, but each group will need to decide how many times to meet.

The work groups will hear multiple perspectives and talk through solutions. The power of the Advisory Committee will be in the recommendations on which it achieves consensus. Advisory Committee members have three main responsibilities in the work groups:

- Keep the work moving forward and productive, helping the group work toward convergence
- Report on the work groups' status at Advisory Committee meetings
- Present the work group recommendations to the full Advisory Committee.

The work groups need to complete their work and bring a suite of recommendations to the full Advisory Committee by the end of April. However, work groups should start bringing recommendations forward as they complete them to give the Advisory Committee time to consider them.

The Co-Chairs and staff provided the following information in response to questions:

- *Discussing work group ideas outside the committee:* The committee's Ground Rule #12 says Advisory Committee members will not describe potential strategies or ideas as committee recommendations until the process is complete. However, committee members may and are encouraged to talk over with their constituencies any ideas that the committee is considering to get wider input.
- *Legal issues:* Staff can help the work groups understand the legal implications that strategies may have. However, the work groups are free to recommend changes in statute, etc., if the work group agrees changes are needed.
- *Cross-work group issues:* Some groups' strategies, such as the Financing and Resources work groups, will have an impact on those of other work groups. The staff will be the bridge between groups. At this point, other work groups should not feel constrained in their discussions by resource issues.

Follow-up on Information Requests

Ms. Price sent Advisory Committee members a packet responding to the requests for information that members made at the first meeting. The staff answered the questions as best they could with the information available. Committee members should let Ms. Price know if the document does not respond to their question or if they have additional questions.

Next Steps

A committee member asked that the meeting summaries call out action items more clearly. For example, the plan to do outreach by going to employers gets lost in the summary of the first meeting. Mr. Howell will make sure this is done starting with the summary for this meeting.

The next Advisory Committee meeting will be on Thursday, January 29 from 9:00 to 11:00 AM. The location is to be determined, since the Boards and Commissions Room is not available. The meeting agenda will include: (1) information and discussion about the race and social justice initiative; (2) an update on work group formation; and (3) review revised versions of the problem definition and graphic.