

## FAQ – Frequently Asked Questions

### Some of the Questions and Comments we heard at Wallingford Community Meeting, March 30, 2016



#### **Can we stay involved and get information? Listserv or website?**

Yes, if you are receiving this you have likely already joined the listserv. If you are not sure, please go to our website [Seattle.gov/HALA](http://Seattle.gov/HALA) and sign up. We regularly update the website, and we encourage you to check back frequently if you need more information. The website is: [Seattle.gov/HALA](http://Seattle.gov/HALA)

#### **Where will questions go and who will answer them?**

We have compiled the answers for your review to help us track public comments. If there was a question heard from other communities that question will be added and updated on our [FAQ website](#).

#### **Neighbors want to be a part of the discussion and solution; how can they do that?**

We will continue to engage community in a variety of ways, from in person meetings in the community, to large citywide meetings, HALA community focus groups, and online forums. Please check the community calendar schedule on the HALA website to know where we will be presenting next and sign up to receive our HALA newsletters.

#### **Fees on Development -**

##### **What are impact fees and why don't we have them?**

Impact fees are charges that cities can collect on new development in an attempt to recover the cost incurred by government in providing the public facilities and infrastructure required to serve the new development. Washington State law only allows impact fees to pay for improvements in parks/open space, schools, transportation, and public safety if they are directly associated with the new development. The City of Seattle does not currently charge Impact Fees. One reason the city doesn't currently have impact fees is that they have not traditionally been used as a tool to pay for in-fill or redevelopment in an already developed city. Impact fees been used primarily by suburban cities as a tool for building new public facilities, like sewer systems and public streets, directly connected to the new development where there were none before. The City is currently studying Impact Fees along with other development fees to better understand the total cost burden on new development. The City Council will receive a report from the Office of Planning and Community Development in mid-summer 2016.

##### **Why is the MHA program set up the way it is and how were the percentages decided?**

More detailed information about the MHA program can be found here – [MHA Summary One Pager](#).

As we continue to engage the public in this conversation, we will continue to work with the community to understand this program.

**Why don't we have legislation that holds the market accountable to be a part of the solution on affordable housing?**

The Mandatory Housing Affordability program (MHA) is just that – we are, for the first time in our city's history, mandating a policy that requires the market to grow with affordability. Under MHA, all new multifamily and commercial development would be required to build five to eight percent of units as affordable or make a payment in-lieu to build affordable housing for residents earning up to 60 percent of the Area Median Income (AMI) for 50 years. In 2016, 60 percent of AMI is \$38,000 for an individual and \$54,000 for a family of four.

**Growth Questions –**

**If we have enough capacity now, why are we asking for more through HALA?**

Zoning changes happen for a variety of reasons, not always to add development capacity. The HALA zoning changes will add development capacity for the purposes of implementing the Mandatory Housing Affordability program to create affordable housing. Under state law RCW 36.70A.540 (Affordable Housing Incentives Program), cities can mandate affordable housing if it provides a benefit, like additional development capacity. We will not get affordable housing in commercial and multifamily zones where additional development capacity is not implemented. This change is necessary to ensure the city's future growth addresses our critical housing affordability needs.

**When will there be a meeting to decide if Wallingford will up zone? Not when but if it will up zone.**

The Housing Affordability and Livability Agenda (HALA) is a citywide agenda, and the proposals will be implemented at a citywide level.

Mandatory Housing Affordability (MHA) is a new requirement for developers of each new commercial and multi-family residential development to either include affordable housing as part of their development, or make a payment to support affordable housing in Seattle. In exchange for creating affordable housing, developers will be able to access additional zoning capacity. Other cities within the region such as Issaquah, Kirkland, and Federal Way have already begun to use this program to address affordable housing needs. MHA, when adopted, would increase the development capacity by approximately 1 story or 1,000 additional sq ft and with it would be a requirement to build affordable housing or make a payment in-lieu to build affordable housing.

MHA will ensure that new affordable housing is dedicated to households with lower incomes as the City continues to grow. MHA will create an estimated 6,000 net new units of affordable housing over 10 years for households with incomes at or below 60% of the area median income (AMI) -- \$38,000 for an individual and \$54,000 for a family of four. For example, monthly market-rate rents in new buildings on Seattle's Capitol Hill currently average \$1,887. If MHA were in place, an individual with an income equal to or less than 60 percent of AMI would pay \$1,100 for a new studio apartment in Capitol Hill because the rent is capped at 30% of the individual's income.

The conversation on how this program could work in Seattle is underway. The community has an opportunity to help shape MHA and the related zoning changes that will be discussed and approved by City Council in later 2016 for South Lake Union and Downtown. The City Council will consider other areas of the city in 2017.

Wallingford has been a designated Urban Village since the mid-1990s. The Comprehensive Plan lays out a clear vision for our Urban Villages that includes increased housing, jobs, and investments in transportation and parks. City staff will continue to work with the community to better understand the concerns that come with any

changes in zoning. It is expected that Urban Villages, as areas where there is more amenities and where the city's Comprehensive Plan expects growth, will participate in the upzone and also see the benefit of more affordable housing in their community.

**Can rezoning happen incrementally? Could it be duplexes vs. large apartment buildings?**

The rezoning proposal is scheduled to be sent to City Council in early 2017. The proposal will include changes to all zones at that time. It will also include changes to all zones at that time. It will also include where new zones will be applied. In the case of Wallingford, it will include changes that are specific to Wallingford, and other Urban Villages. While we have the conversation about what zone will be applied, and where, we will be soliciting community feedback on these changes. In Wallingford we heard that transitions from larger development to smaller development is important, as well as other principles that can help guide growth.

Over the next few months, we will be reaching out to residents to receive more input on what should be reflected for the community in any zoning change.

**Why is zoning for tiny housing illegal?**

Seattle has not yet created land use code rules specifically for tiny houses. There are land use code rules in place for Detached Accessory Dwelling Units (DADUs), also known as Backyard Cottages. If a tiny house is a full time residence on a single family home lot, it should meet the standards for a DADU under current regulations. If the tiny house is mobile (on wheels) it can be considered as a trailer or RV that can legally be on a single family home lot in a proper location, if it is not being lived in full-time. However if it is a full time residence, current regulations as a DADU will apply, which includes a requirement for a proper foundation and sewage connections.

**Will single-family areas outside of Urban Villages be rezoned?**

No, there are no current proposals calling for more types of housing in single-family zones outside of Urban Villages and proposed Urban Village expansion areas. Instead, the HALA discussion is focused changes that will allow us to require affordable housing and to continue our effort developing vibrant, livable, walkable Urban Centers, Urban Villages, and transit corridors.

There is a parallel conversation happening around how we define Urban Villages. The proposal that was out for public comment last fall included some Urban Village boundary modifications based on the 10-minute walkshed from frequent and reliable transit. This potential change will require adoption of the Seattle 2035 Comprehensive Plan, which requires Council action and is slated to be discussed this year. The zoning within these expansion areas would require further community engagement.

**What are we going to do about displacement?**

The City is promoting aggressive investment strategies to preserve and expand housing affordability in communities where people with low incomes are at risk of displacement. The MHA program is one strategy to fight displacement, because it creates affordable homes so lower income households can afford to stay in their communities. These strategies include acquiring and renovating existing affordable housing, providing owners with tax incentives to keep rents low, and building new affordable housing developments in neighborhoods at high risk of displacement. In addition, the City has incorporated racial and social equity values and anti-displacement policies in its draft Seattle 2035 Comprehensive Plan, which will guide density, investments and growth in a manner that takes into account the risk of displacement caused by growth.

## **Why are Amazon and other large tech employers not a part of the affordable housing solution?**

In order to keep our community equitable as we grow, employers in our city should be a part of the housing affordability solution. That is why as part of the HALA recommendations, the Mayor has proposed a voluntary Employer Housing Trust Fund, where employers will be able to participate in the solution to the affordability crisis by making contributions to a fund that will create affordable housing.

## **How does the City monitor tax and bonus programs over time to ensure that the taxpayers are being protected?**

The City has a robust compliance process for affordable housing investments to ensure public funds are spent appropriately and managed wisely. Properties funded by the Office of Housing, regardless of the funding source, are subject to the Office of Housing's annual compliance review, physical inspection, and reporting process. These reports are presented to City Council annually. In addition, a 13-member oversight committee monitors progress of Levy programs and participates in development of Administrative and Financial Plan policies that govern implementation of the levy and other leveraged funds.

## **Parking/Parks/Sewers/Schools/Climate -**

### **How can upzones be done with the run off and sewage problems we have right now? 12.5 million gallons of sewage going into our waterways each year.**

SPU is designing the Ship Canal Water Quality Facility to bring our combined sewer overflows (CSOs) in Ballard, Fremont and Wallingford into compliance. More information about the project is available here:

#### [Ship Canal Water Quality Document](#)

The project was sized to accommodate the combined flows from areas highlighted on this fact sheet's [first page](#):

It has been sized to fully control the area's outfalls and has factored in climate change impacts.

In general, combined sewer flows are mainly storm water (90%) and to a smaller degree of sewer water (10%). The City of Seattle's storm water code says that all new development needs to take care of its storm water onsite through methods such as underground detention or infiltration. Therefore, new development will not adversely affect our CSO outfalls.

SPU has done a lot of planning around CSOs. A good summary of this planning is available [here](#). Later this year, SPU will begin developing a Wastewater Master Plan. This Plan will create solutions for capacity constrained wastewater locations throughout the City and will plan for increasingly strict water quality regulations, climate change and development. The Wastewater Master Plan's public engagement plan hasn't been developed yet, but there will be opportunities to participate in the future.

If you want more information about:

- Seattle's CSOs, contact me: Alexander Mockos (SPU) [Alexander.Mockos@seattle.gov](mailto:Alexander.Mockos@seattle.gov)
- Ship Canal Water Quality Project, contact Dan Enrico (SPU) [Dan.Enrico@seattle.gov](mailto:Dan.Enrico@seattle.gov)
- Wastewater Master Plan, contact Leslie Webster (SPU) [leslie.webster@seattle.gov](mailto:leslie.webster@seattle.gov)

### **Does HALA address infrastructure? What is HALA doing to preserve green space?**

HALA is an agenda to address affordability in the city of Seattle. It is not intended to drive new allocations on infrastructure and parks. However, our new Office of Planning and Community Development and specifically, their work on Seattle's Comprehensive Plan does work to achieve a more interconnected city, with safe, accessible greenspaces. Wallingford has been a designated an Urban Village since the mid-1990s. The Comprehensive Plan lays out a clear vision for our Urban Villages that includes increased housing, jobs as well as targeted investments in transportation, parks, and others.

In addition to the Urban Village strategy, the proposed updates to the Comprehensive Plan would give a much stronger emphasis on investing in areas through an equity lens. This means driving investments toward areas that have been systematically underserved for generations based on previous discriminatory acts or that are serving a population that is disproportionately at risk.

### **Comprehensive Plan -**

#### **Are we removing neighborhood planning from comp plan?**

We are not removing neighborhood planning. OPCD issued a Draft Plan for public review on July 2016 which included citywide goals and policies regarding Neighborhood Planning (p. 151-152). The Draft Plan document did not include sections of the current plan where no changes were proposed: Container Port, Shoreline Management and Adopted Neighborhood Plans. These sections, still unchanged, will continue to be part of the Comprehensive Plan. The Mayor's Plan will be released in early May.

### **Affordable Housing -**

#### **Why does affordable housing have an expiration date? Why is it not affordable forever?**

Office of Housing funds are provided as 50-year loans to affordable housing developers, which are generally nonprofit organizations. The term of affordability (inclusive of both income and rent restrictions) is tied to the term of the loan. At the end of the 50-year term, loans may be extended by an additional 25 years. Further, during the term of the loan any capital reinvestment in a building provides an opportunity to extend the affordability term. Providing loans creates both long-term affordability and the ability to enforce the regulatory agreements attached to the loan. The use of loans also enables affordable housing providers to tap into investor equity generated from federal low-income housing tax credits, which is the largest source of leverage for these projects.

#### **How is new development going to help us reach our affordability goals? Often times new development is not affordable.**

The Mandatory Housing Affordability program will require all new development either include affordable units in residential buildings or make a cash contribution that will be used to develop new affordable housing. In addition, the expanded Multifamily Tax Exemption Program provides incentives for apartment developers of new buildings to provide 20% to 25% of their apartments as rent-restricted for up to 12 years.

#### **Can we guarantee that we will get affordability through the MHA program?**

Under MHA all new commercial and multi-family residential development must either include affordable housing as part of their development, or make a payment to support affordable housing in Seattle. In exchange for creating affordable housing, developers will be able to access additional development capacity. Other cities

within the region such as Issaquah, Kirkland, and Federal Way have already begun to use this program to address affordable housing needs. MHA, when adopted, would increase the size of allowable development and include an affordable housing requirement.

MHA will ensure that new affordable housing dedicated to households with lower incomes is created as the City continues to grow. MHA will create an estimated 6,000 net new units of affordable housing over 10 years for households with incomes no higher than 60% of the area median income (AMI) -- \$38,000 for an individual and \$54,000 for a family of four. Current monthly market-rate rents in new buildings on Seattle's Capitol Hill currently average \$1,887. Currently, an individual with an income equal to or less than 60 percent of AMI would pay \$1,100 for a new studio apartment.

The conversation on how this program could work in Seattle as well as any changes in zoning is just beginning. The community has an opportunity to help shape MHA and the related zoning changes that will be discussed and approved by City Council, in later 2016 for South Lake Union and Downtown, and no earlier than 2017 in the remainder of the city.

### **Why doesn't levy housing unit production double when the levy doubles?**

Affordable housing is built in the same economic environment as all construction, and costs for labor and land have increased significantly since the last Housing Levy was created. In addition, affordable housing projects funded by the Levy leverage additional state and federal funds, which are limited (and actually decreasing), causing a higher proportion of Levy funds to be used to achieve more units. To the extent that additional external resources are available, the City will be positioned to exceed Levy production goals.

### **Is rent control illegal? Why aren't we proposing that?**

Cities are prohibited from adopting rent control in Washington state (RCW 35.21.830). The state statute would need to be changed by the legislature before rent control could be adopted in Seattle.

### **Can we ensure that any fees that are collected in this neighborhood will build affordable housing in this neighborhood?**

The Office of Housing has a track-record of building affordable housing in neighborhoods throughout Seattle. When determining the location of affordable housing funded with MHA payments, the Office of Housing will seek to promote fair housing choice and economic opportunity, address the needs of communities vulnerable to displacement, and support broader City strategies to promote growth near transit and within urban centers and villages. A 2014 independent analysis of Seattle's Incentive Zoning (IZ) program determined that housing funded with IZ payments is likely to be located in neighborhoods closer to downtown and within close proximity to the properties that provided the payments. The report concluded that a greater reliance on the on-site production option would not result in a significant change in the geographic distribution of units; the report also noted that, looking backwards, a program without a cash contribution option would have resulted in production of fewer affordable units.

### **Why is there a fee in lieu as well as on site performance?**

Both on-site performance and payment options advance important affordable housing goals. Here is some more information about MHA payments and how the Office of Housing uses them:

The Seattle Office of Housing, which will administer in-lieu payments from the Mandatory Housing Affordability program (MHA), has a 35-year track-record of investing local and federal funds, including incentive zoning in-lieu payments, to meet a range of strategic goals for affordable housing.

**Equity:** Affordable housing built with MHA funds will advance racial and social equity. These investments mitigate displacement by providing stable rents in areas at high risk of displacement, and stimulate economic development in neighborhoods that lack private investment. Affordable housing is typically developed in partnership with community based organizations that plan development around the needs of a community, including providing culturally relevant services or affordable retail space for local businesses. City funds are used to preserve existing at-risk affordable housing, and support critical family-sized units that are not being built by the private market. And, City-funded affordable housing often includes resident service programs and other connections to social services that help individuals and families to thrive.

**Quantity:** MHA payments will be leveraged (Office of Housing has a record of leveraging these investments 3:1, which means for every dollar invested there are \$3 others coming from other new funding sources to match – state/federal/private dollars) on average and will attract critical private and public dollars for affordable housing into Seattle. In nearly all zones, MHA payments will yield a greater number of affordable housing units than would be produced on-site, if the payments support housing at 60% AMI. The Office of Housing has proven its effectiveness in aligning resources to maximize production.

**Sustainability:** MHA payments will be invested in high quality affordable housing that is built to last. The Office of Housing provides long term stewardship of City-funded housing for 50 years, ensuring it remains affordable and in good condition for generations to come. City-funded affordable housing meets the statewide Evergreen Sustainable Development Standard, providing significant energy and water savings that benefit the environment and low-income residents over the long-term.

**Location:** The Office of Housing has a track-record of building affordable housing in neighborhoods throughout Seattle. When determining the location of affordable housing funded with MHA payments, the Office of Housing seeks to promote fair housing choice and economic opportunity, address the needs of communities vulnerable to displacement, and support broader City strategies to promote growth near transit and within urban centers and villages. A 2014 independent analysis of Seattle’s Incentive Zoning program (the same that you cited) determined that housing funded with IZ payments is likely to be located in neighborhoods closer to downtown and within close proximity to the properties that provided the payments, not highly concentrated in one neighborhood. The report concluded that a greater reliance on the on-site production option would not result in a significant change in the geographic distribution of units and that on-site performance units would not be located in neighborhoods of higher economic opportunity.

## Design -

### **Are there plans to reduce public input into Design Review?**

Design Review and Historic Review are critical to ensure new buildings contribute positively to our neighborhoods. However, these tools add unpredictability and time to the process of bringing new housing online, which ultimately adds cost and decreases affordability. Through legislation, the City will improve these processes to continue their important functions in a way that improves predictability and consistency.

In March of 2016, The Seattle Department of Construction and Inspections (SDCI) and the Office of Planning and Community Development (OPCD) prepared draft recommendations for design review process improvements in conjunction with a 16-member Advisory Group made up of a diverse group of stakeholders with interest and expertise in the Design Review process. The public process for the development of these recommendations included two community open houses, six Advisory Group meetings, and on-line survey and interviews with

community stakeholders. On April 5, SDCI and OPCD presented these recommendations to Council. At this time, no specific proposal to change the Design Review process has been forwarded to the City Council for their consideration.

March, SDCI/OPCD Design Review recommendations [report](#).

### **Parking -**

**Parking continues to be a big issue for those currently using street parking. Why shouldn't new development be required to include parking?**

Department of Construction and Inspection has prepared a review of the parking issue and the full report may be found [here](#).

### **HALA -**

**Why does HALA have market rate as part of the agenda if those aren't affordable?**

Mayor Murray set a bold goal of 50,000 homes, including preservation and production of 20,000 net new affordable homes, over the next 10 years, and this comprehensive agreement gets us there. The addition of 30,000 market rate homes in the next 10 years is a part of HALA, because more housing of all types is needed in order to provide housing options to meet growing demand.

**Why did the Mayor appoint the HALA committee and why were those particular members chosen?**

The Mayor and City Council jointly convened the HALA Advisory committee to evaluate potential strategies to address the housing affordability crisis. You can find more information about the HALA committee [here](#).

What we heard in the breakouts –

### **Input on meeting**

Shorter time for fair

Like Small breakouts/desire large Q&A format

Publicize agenda so can show up for the time that is meaningful to you

Shorter professor presentation but info good

Want to feel heard and have a say in what happens next

The process is too fast and not enough community engagement

### **ADU/DADUs and Single Family**

Want incentives for home owners to create more ADU/DADUs – because they are too expensive

Want incentives/tax breaks for two unit owner occupied lots such as ADU/DADU

What is allowed in single family is very large, why not use them for two families



Flexibility in Single Family could allow homeowners to have built and rent units that will allow them to stabilize as they get older with less income

ADU/DADUs are too expensive to build and there will not be many of them

Concern about absentee landlords and loss of owner occupancy requirement

### **Transportation**

Need more transit to serve growth

If developer doesn't provide parking, deny RPZ to those tenants

Need more and better bike routes

Not requiring parking on new development is going to make it harder for current residents to park. Having a car is important as a means to get to the mountains and enjoy Seattle.

### **Design**

Want new development to be of high quality and good design

More design review as density comes, concerns about changes to the program

No greater heights

Some buildings feel too big, what can be done with design

More development is coming but neighbors want a say in design and a more tailored rezone for their neighborhood

### **Potential Principles to help guide new growth**

Need more family housing

Need to keep and improve the tree canopy

Need to have set backs with density

Transitions are important and should be included in zoning change conversation

There should be a difference between development that happens on major streets and minor streets. More intense development should happen along major streets.

When deciding height take into account the extra height that can be allowed by bonus programs such as a basement unit or an added story.

### **Zoning Changes**

A lot of fear of the unknown and how these changes will be done and concern that we are moving away from a family city and turning into a tech city

Proposed changes and maps would be good to see and react to

No double dipping with tax breaks for developers

There is no trade off worth giving up any single family zoning

Would like to see the height increase in multifamily be higher than just one story

### **Neighborhood Character**

Want to have metrics so neighbors can track growth

Desire for privacy and to maintain eclectic neighborhood

Schools are over capacity currently, no more room

### **Environment**

Fix CSOs into Lake before we add any more development

Need to add green roofs as a requirement to all new development

Solar roofs should be protected from shading by neighbors

Need more parks with more growth, pocket parks

### **Affordable Housing**

Mandatory Inclusionary Housing should be applicable to all new development not just multifamily and commercial

Concern about levy and taxes, general desire to pay less in property taxes because of seniors/fixed income

Neighbor cities can and should take the growth that we don't want. They are affordable so we do not need to make any changes to zoning for affordability.

Development being driven by mobile capitol no matter how much you build you will never get affordability

Bond programs should be a part of the affordability solution

Liked the ideas presented by UW through Rick Moehler. The City should partner with other groups to get ideas on how to make HALA work in neighborhoods – Cascadia Chapter, Living Building, UW, SPU, SU and other subject matter experts