



City of Seattle

Seattle Planning Commission

Rick Mohler and Jamie Stroble, Co-Chairs
Vanessa Murdock, Executive Director

SEATTLE PLANNING COMMISSION

Thursday, April 22, 2021
Approved Meeting Minutes

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- Commissioners Present:** Mark Braseth, McCaela Daffern, Roque Deherrera, Matt Hutchins, Rose Lew Tsai-Le Whitson, Patience Malaba, Rick Mohler, Radhika Nair, Alanna Peterson, Dhyana Quintanar, Julio Sanchez, Lauren Squires, Jamie Stroble, Kelabe Tewolde
- Commissioners Absent:** David Goldberg
- Commission Staff:** Vanessa Murdock, Executive Director; John Hoey, Senior Policy Analyst; Connie Combs, Planning Analyst; Robin Magonegil, Commission Coordinator
- Guests:** Rico Quirindongo, Interim Director, Michael Hubner, and Brennon Staley, Office of Planning and Community Development

Seattle Planning Commission meeting minutes are not an exact transcript and represent key points and the basis of discussion.

Referenced Documents discussed at the meeting can be viewed here:

<http://www.seattle.gov/planningcommission/when-we-meet/minutes-and-agendas>

Chair's Report & Minutes Approval

Co-Chair Jamie Stroble called the meeting to order at 9:00 am and recognized that we are on indigenous land, the traditional and current territories of the Coast Salish people. Land acknowledgement is a traditional custom dating back centuries for many Native communities and nations. For non-Indigenous communities, land acknowledgement is a powerful way of showing respect and honoring the Indigenous Peoples of the land on which we work and live. Acknowledgement is a simple way of resisting the erasure of Indigenous histories and working towards honoring and inviting the truth. Co-Chair Stroble asked fellow Commissioners to review the Color Brave Space norms and asked for any additions or amendments to those norms before stating the expectation that everyone practice those norms.

ACTION: Co-Chair Rick Mohler moved to approve the April 8, 2021 meeting minutes. Commissioner McCaela Daffern seconded the motion. The motion to approve the minutes passed.

Announcements

Vanessa Murdock, Seattle Planning Commission Executive Director, provided a brief review of the

format for the online meeting, and noted that due to the online format, public comment must be submitted in writing at least 8 hours before the start of the Commission meeting.

Briefing: Market Rate Housing - Analysis and Strategies

Michael Hubner and Brennon Staley, Office of Planning and Community Development (OPCD)

COMMISSIONER DISCLOSURES: McCaela Daffern disclosed that she works at King County's Department of Community and Human Services on affordable housing issues, Roque Deherrera disclosed that he works for Legacy Group Capital, an infill market rate housing developer, and Radhika Nair disclosed that while she works for BERK consulting, she did not work on the analysis commissioned by OPCD.

Mr. Hubner stated that his presentation will provide a preview of OPCD's forthcoming Market Rate Housing Needs & Supply Analysis report, including some key data, main takeaways, and potential housing strategies. OPCD received funding for this work from a grant from the Washington Department of Commerce. Analysis was provided by BERK Consulting with a focus on market rate housing, not income- or rent-restricted housing. This analysis builds on significant work to date, including the Affordable Middle-Income Housing Advisory Council (AMIHAC) and Housing Choices public conversations that Mr. Staley led. This work will serve as a resource for the upcoming Comprehensive Plan update and other policy initiatives.

Mr. Hubner stated that Seattle wants to be an inclusive and welcoming city. Housing policies and practices have fostered racial and economic exclusion. Market rate housing cost and availability is a huge barrier to economic mobility. Shifting the housing market is a necessary part of addressing the housing crisis and rising inequality. Stakeholder engagement from the Housing Choices outreach in 2019 and other engagement efforts have indicated that the City should adopt strategies to:

- Increase the supply of housing and reduce the cost of development
- Increase the diversity of units throughout Seattle to allow more people to stay in neighborhoods they love
- Reduce displacement pressure
- Create more homeownership opportunities
- Create more accessible housing options
- Support walkable, complete neighborhoods

The BERK report focused on recent trends and conditions related to market-rate housing needs and supply, including Seattle's role in King County and the region. This work started just as the COVID-19 pandemic started, so the data is mostly pre-pandemic and reflects trends through the beginning of 2020. The analysis addresses:

- Rental and ownership
- Demographics and income
- Recent trends and current market conditions
- Seattle's role in the county/region
- Future needs and supply out to 2045

Mr. Hubner provided key highlights of current market conditions and recent trends. Despite a historic surge in new construction, housing supply is not keeping pace with demand. Between 2005 and 2019, Seattle would have needed to produce an additional 9,000 housing units to maintain its baseline ratio of jobs to housing units. Greater competition overtime for units has been driving up prices. Housing prices have risen much faster than incomes. Lack of supply and increasing construction costs are driving significant housing cost increases. Prices increased by eighty percent while incomes increased by fifty-five percent. A similar trend has been identified for rents, with the largest increase for rents in traditionally lower-rent neighborhoods.

Mr. Hubner stated that homeownership options have become more scarce and less affordable. The median home price in Seattle is affordable to a household making one hundred seventy percent of the area median income (AMI). More than eighty percent of units built between 2010 and 2019 are rentals. There is a shortage of rental units that are affordable and available to lower-income households. 21,000 households cannot find units that they can afford. New rental units are fifty-three percent more expensive than those built before 2010. The current market data also show huge racial disparities in housing. Communities of color fair worse than white residents on key measures, including homeownership, cost burden, and risk of displacement.

Mr. Hubner summarized projections of housing need and supply between 2020 and 2045. BERK was able to identify capacity constraints in an analysis of future housing supply based on current zoning and recent trends. This twenty-five-year projection shows that most new housing units will be apartments, and a greater number of units are predicted for downtown at a higher price point. As a result, demand will be pushed to the north and southeast. BERK's approach to projecting housing need used a draft housing growth target for Seattle as a starting point and identified the following two scenarios:

- Scenario 1: Align with Growth Target and Market Trends
- Scenario 2: Higher and More Inclusive Growth

Scenario 1 concluded that if nothing changes, Seattle will become increasingly exclusive to higher-income households. The City will assume a net gain of 112,000 household and a shrinking share of residents between fifty and one hundred percent of AMI. Scenario 2 demonstrates that planning for more and more diverse housing needs can achieve a more inclusive and affordable city. This scenario envisions more housing, with a net gain of 152,000 housing units, and a more diverse range of incomes provided, with a net gain of households between fifty and eighty percent of AMI.

Mr. Hubner stated that OPCD is in the early stages of creating strategies to address these issues. One significant vehicle for addressing housing affordability challenges is the upcoming Major Update to the Comprehensive Plan.

Commissioner Discussion

- Commissioners asked whether the analysis considered future housing demand with COVID-19 conditions. Mr. Hubner stated that is very difficult to project, with a high degree of uncertainty. People may be forced to leave their rental units due to the eviction moratorium being lifted. There are different prices in different areas. Downtown rental prices have softened in recent months but have started to turn around.

- Commissioners referred to a cooking analogy where a dish always turns out the same even though we are told that we can provide several variations with the same ingredients. Commissioners asked if there are any meaningful steps that can be taken to change the outcomes. Mr. Hubner stated that the focus of this briefing is a data presentation. There is a lot of housing that will need funding and incentives. This is a call to action to provide more diverse housing stock.
- Commissioners asked how recent changes in single-family zones impacted the data. Mr. Hubner stated that accessory dwelling unit production is greater than in the past and will need to be monitored to get a better idea on how many ADUs to expect in the future and to ensure that the City is achieving its racial equity outcomes.
- Commissioners expressed concern with a strategy that is so focused on market rate strategies. It is key that we understand how these strategies affect the lower income ranges. Mr. Hubner stated that this report will not stand alone as the basis for the Housing element in the upcoming Comprehensive Plan update. OPCD will be completing a more comprehensive needs analysis and exploring housing strategies for the plan to balance market-rate and rent/income-restricted needs.

Introduction: Office of Planning and Community Development Interim Director

Rico Quirindongo, Interim Director, Office of Planning and Community Development

Interim Director Quirindongo reviewed OPCD's Mission statement: "We lead collaborative planning, advance equitable development, and create great places." He stated that OPCD is working at both a high level and in the trenches with real work affecting families and communities. The department's "Lead with Equity" goal is "Eliminate racial disparities and achieve racial equity in Seattle through our work as planners and community development specialists." He stated that all OPCD staff live and breathe that goal.

Interim Director Quirindongo provided an overview of 2020 accomplishments by OPCD's divisions.

- Long Range Planning worked on the Equitable Development Monitoring Program with a new Population and Demographics website; a Housing Needs analysis; and early work on the next Major Update to the Comprehensive Plan, including a Racial Equity Analysis, Buildable Lands, and regional planning referencing the Puget Sound Regional Council's VISION 2050.
- Community Planning performed ongoing work with Sound Transit on the West Seattle and Ballard Link Extensions project, including agency workshops, design guidelines, community goals for the Jackson Hub, and outreach for the 130th Street station planning areas; as well as coordinating with Seattle Public Utilities, Department of Neighborhoods, Seattle Department of Transportation, and King County to prepare for new planning work in Westwood/Highland Park.
- Land Use Policy accomplishments include launching the ADUniverse and pre-approved ADU plans; Rainier Beach rezones for affordable housing; the Housing Choices report and analysis; Maritime/Industrial Strategy process; and Sound Transit 3 (ST3) Station Design Guidelines analysis.
- Urban Design accomplishments included the Lid I-5 Feasibility Study, State Route 520 multi-phase urban design for Montlake to I-5, Sound Transit 3 Hubs Urban Design Strategy, the City Life at Street Level report and early recommendations to fill vacant storefronts, and urban design support for other OPCD initiatives.
- The Equitable Development Initiative (EDI) program partnered with a total of sixty organizations to deliver community-based projects; brought together thirty funders, thirty government staff, and

thirty community members to frame up EDI collaboration in the context of the Just Transition; and completed the Rainier Beach Food Innovation Center and Black & Tan site acquisitions.

Interim Director Quirindongo highlighted the following OPCD 2021 principles and goals:

- A. Lead with equity.
- B. Prioritize immediate BIPOC needs and resource community led resilience.
- C. Build long term community relationships and support power sharing.
- D. Use data and analysis to enrich our understanding of COVID crisis impacts and needs.
- E. Create systems or structures for equitable transformation.
- F. Advance a just and resilient city through major initiatives.

He then reviewed the 2021 work program summary for each OPCD division.

Long Range Planning priorities include:

- The Comprehensive Plan Update, including data analysis, policy research, community engagement, Racial Equity Toolkit (RET), and environmental review
- Housing Needs/Supply Analysis and Strategies (HB1923)
- Annual Comprehensive Plan Amendments
- Demographics and Geographic Information Systems
- Interagency Coordination (regional planning, Seattle Public Schools, State legislation)

Community Planning priorities include:

- 130th/145th Station Area Planning
- Westwood/Highland Park Action Program
- Chinatown/International District RET support
- Aurora/Licton Springs
- Co Planning with Sound Transit
- Early Station Area Planning (Jackson Hub, Westlake Hub, Delridge, Federal Transit Agency Grant)
- ST3 Environmental Review (Administrative Draft Environmental Impact Statement) Support
- Outside Citywide

Land Use Policy priorities include:

- Industrial/Maritime Strategy
- Housing policy implementation and support
- Equitable zoning strategies and emerging policy issues
- Land use code amendments and environmental review support
- ADU policy implementation

Urban Design priorities include:

- NE Pioneer Square Coordinated Initiatives - working with the Pioneer Square Alliance, Seattle Department of Transportation, King County, and Seattle Parks and Recreation at City Hall Park
- SR 520
- I 5 Lid Feasibility Study
- Mt. Baker Station Area and UW Laundry Site - working with the Office of Housing on design guidelines and other considerations for transportation and housing
- Design Guidelines and Urban Design Support

- Interagency Support and Inter-Departmental Teams

EDI priorities include:

- EDI Community Contracts Management (60 projects)
- EDI Fund Coordination
- Mutual and Offsetting Benefits Agreements
- EDI Advisory Board permanent structure
- Strategic Investment Fund
- Duwamish Valley Action Program
- Affordable Commercial Spaces
- Equitable TOD Strategy
- Equity Indicators Reports and Participatory Research Program

Interim Director Quirindongo stated that Ubx Gardheere was recently elevated to EDI Director.

Commissioner Discussion

- Commissioners inquired about the status of the Policy Link racial equity analysis and community engagement work. Interim Director Quirindongo stated the Policy Link report is in the process of being finalized and will be available in May or June. Its release will coincide with the community engagement strategy.
- Commissioners asked about the status of the ADU funding and finance model that was originally planned but did not get support. Interim Director Quirindongo stated that the ADUiverse work can be a strategy for legacy Black-owned property in the Central District to help them stay in their neighborhood. The financing plan for ADUs was put on hold. There are a number of strategies that the City is working on to infuse neighborhoods for recovery; ADUs may become one.
- Commissioners requested more information on the work to activate vacant storefronts. Interim Director Quirindongo stated that the City Life at Street Level project team identified this effort as an opportunity for the 2021 recovery strategy. OPCD is working with Pamela Banks at the Office of Economic Development and the Downtown Seattle Association to reactivate 161 storefronts vacated by the pandemic. Magda Hogness of OPCD is working with Mike Podowski of the Seattle Department of Construction and Inspections (SDCI) on a one-year strategy to fill storefronts by making space available to those who have not traditionally been allowed to do so.
- Commissioners stated that the ADUiverse pre-approved plans project has been successful and is being used as a template for other jurisdictions. This may be an opportune time for the City to look at accessory commercial uses in single family zones.
- Commissioners expressed frustration with the Design Review process and asked if there are any plans to review the process to make it more efficient. Interim Director Quirindongo stated that prior to taking this position, he worked on a committee to help SDCI on permitting, fees, and Design Review. That conversation is ongoing. He is providing some coaching and encouragement to help improve the process.

Public Comment

There was no public comment.

The meeting was adjourned at 9:00 am.