



City of Seattle

Seattle Planning Commission

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

SEATTLE PLANNING COMMISSION

Thursday, December 08, 2022

Approved Meeting Minutes

Commissioners Present: McCaela Daffern, Roque Deherrera, David Goldberg, Matt Hutchins, Rose Lew Tsai-Le Whitson, Rick Mohler, Radhika Nair, Dalton Owens, Dhyana Quintanar, Jamie Stroble, Kelabe Tewolde

Commissioners Absent: Mark Braseth, Patience Malaba, Alanna Peterson, Julio Sanchez, Lauren Squires

Commission Staff: John Hoey, Senior Policy Analyst

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:

<https://www.seattle.gov/planningcommission/meetings>

Chair's Report & Minutes Approval

Co-Chair Jamie Stroble called the meeting to order at 3:04 pm and announced several upcoming Commission meetings. Co-Chair Stroble offered the following land acknowledgement:

'On behalf of the Seattle Planning Commission, I'd like to humbly recognize that we are gathered on Indigenous land, the traditional, ancestral and unceded territories of the Coast Salish peoples including the Duwamish, Suquamish, and Muckleshoot. We thank these caretakers of this land who have lived and continue to live here since time immemorial. We acknowledge the role that traditional western-centric planning practices have played in harming, displacing, and attempting to erase Native communities and we respect Indigenous rights to sovereignty and self-determination. We commit to being better listeners, learners and to lifting indigenous voices. We also commit to identifying racist practices, to practice allyship and strive to center restorative land stewardship rather than unsustainable and extractive use of the land.'

Co-Chair Stroble asked fellow Commissioners to review the Color Brave Space norms and asked for volunteers to select one or more of the norms to read aloud. She reminded Commissioners that they have collectively agreed to abide by these norms.

ACTION: Commissioner David Goldberg moved to approve the October 27, 2022 meeting minutes. Co-Chair Rick Mohler seconded the motion. The motion to approve the minutes passed. Commissioner Rose Lew Tsai-Le Whitson moved to approve the November 10, 2022 meeting minutes. Commissioner Matt Hutchins seconded the motion. The motion to approve the minutes passed.

Announcements

John Hoey, Seattle Planning Commission Staff, noted that this meeting is a hybrid meeting with some Commissioners participating remotely while other Commissioners and staff are participating in the Boards and Commissions Room at Seattle City Hall. He noted that public comment could be submitted in writing via email at least eight hours before the start of the Commission meeting or provided in person by any members of the public attending the meeting at City Hall. Mr. Hoey encouraged the Commissioners to attend one of the upcoming One Seattle Comprehensive Plan community engagement meetings.

Update: Seattle Department of Construction and Inspections

Nathan Torgelson, Director, Seattle Department of Construction and Inspections (SDCI)

Mr. Torgelson acknowledged that his last update to the Planning Commission was in April 2022. He noted that the City Council recently adopted the City budget and stated that he was encouraged by the spirit of cooperation between the City Council and Mayor. All the Mayor's proposed adjustments to SDCI's budget were adopted. The Council also adopted the 2023 Fee Ordinance, which included the creation of a five percent technology fee and reductions to administrative electrical, refrigeration, and mechanical equipment fees. The City Council added resources to SDCI's budget, including \$1 million for rental assistance grants for eviction prevention and \$450,000 for 2023 and 2024 for eviction legal defense for individual tenants. Several new positions were funded, including increasing one existing part-time Housing/Zoning Inspector position to full time and funding a new full-time supervisor for the Virtual Applicant Services Center.

SDCI recently piloted a Virtual Applicant Service Center Counter customer experience, using a software product called ZenDesk that mimics in-person services that were previously provided at the Applicant Service Center on the 20th floor of SDCI's offices in the Seattle Municipal Tower (SMT). Members of the public and applicants can live-chat with a staff member and talk to a live person online to help answer questions and resolve permit issues. The Department's goal is to replicate all services online that were previously provided in person. Customers have been very enthusiastic about this. SDCI is working with the Seattle Department of Transportation to secure an in-person kiosk for customers at the SMT.

SDCI also received funding for a full-time Structural Plans Engineer, Senior to support the policy recommendations provided by the Unreinforced Masonry (URM) Policy Committee, as well as two full-time Civil Engineer, Senior positions in Permit Services. These positions will join the Geotechnical Engineering Review Group and will address continuing review capacity issues. The 2023-2024 Proposed Budget extends twenty Land Use Planner positions and seven Inspections Services positions for an additional three years that were due to sunset at the end of 2022. This will allow SDCI to maintain staffing capacity to support the volume and complexity of land use reviews and inspections, decrease

review times, and address bottlenecks. The City Council passed Ordinance 126541 in September 2022, which established an Economic Displacement Relocation Assistance (EDRA) program. In the 2022 Adopted Budget, SDCI received start-up and ongoing funds to assist low-income tenants who are displaced because of an increase in rent of ten percent or more. SDCI is charged with disbursing the relocation assistance and then seeking reimbursement from the property owner.

Mr. Torgelson provided an overview of recent permitting trends. He stated that permitting has slowed down a bit. Permit intake valuation for 2022 through the end of November is \$3.0 billion, compared with \$6.5 billion in 2021 when there was a huge intake of permit applications before the new energy code provisions went into effect. Issuance volumes continue to trend slightly below intake volumes. 2022 issuance valuations total \$2.8 billion through November, compared with \$2.9 billion last year. A total of 427 Master Use Permit (MUP) applications have been accepted for 2022 through November, which would trend towards an annual total of roughly 465 MUPs accepted for 2022. This compares with 506 MUP applications in 2021. Year to date MUP issuance remains higher than intake as SDCI is trending towards an annual total of about 525 MUPs issued for 2022. This compares to 582 in 2021.

Mr. Torgelson stated that the net number of housing units added stayed strong at 7,276 through November 1, compared with 8,756 in 2021. SDCI now has a cloud-based plan review system (Bluebeam Revu software) where corrections are communicated in real time directly on the plans. He provided several updates from SDCI's code compliance division. The Department coordinates with the Office of Housing, Seattle Police Department, and Seattle Fire Department on a vacant building monitoring program, as many vacant buildings continue to be a challenge. A new staff member was recently hired to lead the Department's efforts to address buildings with unreinforced masonry.

Design Review Board meetings continue to be virtual, which allow members of the public to comment and follow specific projects from the comfort of their homes. The City Council passed legislation earlier this year to provide flexibility in the future for in-person or virtual meetings. The City Council also adopted a Statement of Legislative Intent on making the design review more efficient using a racial equity lens. A diverse stakeholder group is wrapping up their work in January and will be making recommendations that could result in procedural and legislative changes. The Mayor and City Council are working on separate Design Review legislation. The Council's Land Use committee recently voted to exempt affordable rental housing from design review for one year. The Mayor and Councilmember Strauss have been working together on new regulations for trees.

Mr. Torgelson stated that an in-person Home Fair will be held at the Filipino Community Center on February 25th. Staff from SDCI staff and other agencies will be available to answer questions. A series of virtual sessions will be held in January on landslides, trees, earthquake retrofits, onsite stormwater management, and Renting in Seattle. Lastly, Mr. Torgelson stated that SDCI recently held a Service Award event to celebrate Betty Galarosa for her 50 years with the City.

Commission Discussion

- Commissioners asked if data was available comparing the number of accessory dwelling unit (ADU) permits and multi-family permits issued. Mr. Torgelson stated that he did not have that data but would follow up with the Commission. He indicated that the number of detached accessory dwelling units (DADUs) is way up. Applicants are using the ten standard designs that were pre-approved last year.

- Commissioners inquired about any upcoming policy initiatives or regulatory changes aimed at removing barriers to building new housing units. Mr. Torgelson stated that Mayor Harrell has created a housing subcommittee that is looking at a variety of ways to make it easier for permitting housing. SDCI is currently conducting a process mapping exercise to determine potential permit streamlining opportunities. However, unless there is permit reform, permitting will still be a complicated process.
- Commissioners asked if any changes in the number of renovation or single-family residential permits are anticipated because of increasing mortgage rates. Mr. Torgelson stated that he did not know the answer but offered to follow up with the Commission.
- Commissioners requested additional information on the number of Mandatory Housing Affordability (MHA) units to be built. Mr. Torgelson stated that he did not have the data at this time but will follow up with the Commission. He stated that more fee-in-lieu MHA units will be built than onsite affordable housing units, especially in areas with high land prices. He stated that the Mayor's Office is interested in developing legislation to waive design review for onsite MHA projects.
- Commissioners inquired whether condominium liability reform may have any impact on the amount of new construction or condo conversions. Mr. Torgelson stated that no significant impact is anticipated. Canadian developers continue to build most of the condo projects, mostly downtown, and are self-insured.
- Commissioners requested clarification on the proposed changes to the design review process. Mr. Torgelson stated that the City Council asked a stakeholder group to streamline the design review process and conduct a Racial Equity Toolkit to make design review more approachable for BIPOC populations. The stakeholder group is very diverse in their opinions and interests. Commissioners noted that the American Institute of Architects Seattle chapter is also working on recommendations to revise the design review process.
- Commissioners stated that there is currently a significant shortfall in townhouse applications.

Briefing: Office of Housing Proposal to Renew the Seattle Housing Levy

Stephanie Velasco and Nathan Antonio, Office of Housing (OH)

DISCLOSURES/RECUSALS: Commissioner McCaela Daffern disclosed that she is working on a housing needs analysis for her employer, King County. Commissioner Roque Deherrera disclosed that he works for a lender and developer that acquires property for development in Seattle.

Ms. Velasco introduced the topics to be covered during the presentation. Mr. Antonio provided an overview of the Seattle Housing Levy. He stated that the Housing Levy is a seven-year, voter-approved property tax. Housing Levy dollars work with other local funds to address needs across the entire affordable housing ecosystem. Since 1986, the Housing Levy has led to creation or preservation of 15,000 affordable rental homes and creation or preservation of 1,000 affordable homeownership opportunities. Mr. Antonio stated that OH has already exceeded most of its goals from the 2016 Housing Levy and is now planning for the 2023 Housing Levy.

Ms. Velasco identified the following four starting points and considerations for the next levy:

1. We are producing more affordable housing than ever AND the need for affordable housing is greater than ever.

- The current estimated shortage of affordable and available homes for households at the lowest incomes (\$45,300 for a one-person household or \$64,700 for a four-person household) is 30,000 homes.
 - The portion of renter households at the lowest incomes who pay more than 50% of their income on rent is 76%. That's 46,385 cost-burdened renter households.
2. It's very expensive to purchase land and build new affordable housing.
 - Washington State Housing Finance Commission cost limits have steadily increased with a large jump in 2022 due to inflation.
 - Land and construction material costs are continuing to rise.
 3. We need to invest in our existing affordable housing, including our workforce, so we don't lose ground.
 - Existing housing: 25 contracts (333 homes) expire in 2023. Without the Housing Levy, these homes will lose funding.
 - New housing: All new PSH developments require operational support to recruit and retain critical frontline workers.
 4. We must continue to center equity in our programs and investments.

Ms. Velasco described the planning and timeline for the 2023 Housing Levy, including the community engagement and decision-making process. She stated that they are currently in the public engagement phase, which includes three Technical Advisory Committee (TAC) meetings, public open house events, and a public comment period. She provided the following summary of what they have heard to date from stakeholders:

- Significant increase in resources is needed to meet community needs across the entire affordable housing ecosystem
- Costs of new development have increased and long-term maintenance needs of existing City-funded affordable housing need to be addressed
- There are needs and opportunities for targeted equity investments and support for organizations rooted in BIPOC communities
- Both workers and residents of affordable housing need more support to sustain and maintain buildings, and to grow over time

Mr. Antonio provided an overview of the revised Housing Levy proposal, which is a total of \$840 million over seven years. At a \$0.37 tax rate, the levy would have an annual impact of \$348 to the owner of a median value home. The revised proposal would create or preserve 3,626 homes. The \$840 million is broken down as follows:

- \$640 million: Rental Production and Preservation
- \$63 million: Operating, Maintenance, Services (OMS)
- \$51 million: Homeownership
- \$30 million: Prevention
- \$57 million: Administration

Mr. Antonio summarized the following changes from the initial 2023 Housing Levy proposal:

1. Increased Housing Levy size overall to meet rising needs
2. Scaled up production of permanent housing, a proven strategy to address homelessness
3. Emphasized support for high quality workforce, services, and programs across all available local fund sources
4. Increased production of family-size homes
5. Increased accessibility to homeowner stabilization programs

Commission Discussion

- Commissioners expressed appreciation for the targeted investments for BIPOC communities and asked about coordination with the Equitable Development Initiative (EDI). Ms. Velasco stated that OH has a proven track record of providing technical assistance to community-based organizations (CBOs) interested in affordable housing, including El Centro de la Raza and others. OH staff is currently taking a close look at housing funding policies for the advancement of racial equity.
- Commissioners inquired if there is support for new organizations that are trying to complete their first development project. Ms. Velasco provided an example in which the City acquired land in South Park for the purpose of affordable housing in partnership with CBOs.
- Commissioners noted that land costs have reduced significantly, and materials costs are also coming down. Now is a good time for the City to buy land and materials as these reductions will likely only be temporary. Ms. Velasco stated that the City is acquiring buildings through the Rapid Acquisition program. As new buildings open, OH is able to acquire them. The Housing Levy supports land acquisition also.
- Commissioners suggested that the \$30 million for prevention could be increased considering the significance of the city's homelessness problem. Ms. Velasco stated that homelessness prevention and short-term housing stability services have been a smaller piece of the levy proposal because these issues are outside of the primary scope of the Office of Housing's work, which focuses on the creation and preservation of permanent affordable housing. Ms. Velasco also stated that during the pandemic the Office of Housing successfully administered an emergency rental assistance program using federal COVID relief funds, in partnership with United Way of King County and Seattle-based affordable housing providers. There have been ongoing conversations, including at the Technical Advisory Committee, with regional and local providers about who is best to provide that support.
- Commissioners expressed concern that the City continues to underestimate the amount of money needed to address the housing affordability problem. The proposed levy will only address a fraction of the need. If OH wants to ensure that employees are living in quality housing, the levy needs to adequately fund maintenance. Ms. Velasco stated that OH staff and the Technical Advisory Committee are considering how to increase the investment in operations and maintenance. Options include balancing Jump Start funding and OH investments.

- Commissioners asked about the timing of I-35, the Social Housing initiative, and the 2023 Housing Levy, suggesting that there may be confusion about the two separate issues. Ms. Velasco stated that this is a consideration and OH staff is thinking about how to handle communication related to the levy. Other ballot measures will also be going to voters next year. OH will continue to educate community members about the outcomes of the levy. This has not been done as well as it could have in the past, and there are many affordable homes created using levy dollars that community members may not know about.

Public Comment

There was no public comment.

The meeting was adjourned at 4:56 pm.