

Can We Achieve Equity Using Smart Growth?

GROUP 3 - Breakout Discussion Guide

Protecting Tenants and Preserving Affordability

EXISTING TOOLS IN SEATTLE	TOOLS NOT CURRENTLY AVAILABLE IN SEATTLE	TOOLS NOT CURRENTLY IN SEATTLE; CONSTITUTIONAL QUESTIONS AND/OR MORE LEGAL ANALYSIS NEEDED
<p>Community Land Trusts (CLTs)</p> <p>Condominium Conversion Ordinances</p> <p>Just Cause Eviction Ordinances</p> <p>Limited Equity Housing Cooperatives</p> <p>Nuisance Abatement Laws and Receivership and/or Pro-Active use of the City's Condemnation Authority</p> <p>Proactive and Strategic Code Enforcement</p>	<p>Deed-Restricted Homeownership</p> <p>Land Bank Properties for Affordable Housing Development.</p>	<p>Advance Notice and First Right of Refusal Laws</p> <p>One for One Affordable Housing Replacement Ordinances</p> <p>Rent Control/Rent Stabilization</p> <p>"Special Review District Overlays"</p> <p>Tax Increment Financing (TIF) for Affordable Housing</p>

Can We Achieve Equity Using Smart Growth?

GROUP 3 - Breakout Discussion Guide Definitions

Protecting Tenants and Preserving Affordability

EXISTING TOOLS IN SEATTLE

Community Land Trusts (CLTs) are nonprofit, community-based organizations that own land to provide benefits to the community, primarily to provide secure housing for lower income residents (predominantly homeownership but some also provide rental housing). CLTs counter gentrification by providing permanently affordable homeownership: homes on the CLT land are sold at below-market prices to buyers with eligible incomes, and a resale formula limits the sale price to ensure the home will be affordable to another owner at the same income level, while allowing the owner to accrue some of the appreciation. Cities are increasingly partnering with CLTs to manage and monitor their homeownership programs. CLTs can also help stabilize neighborhoods. Seattle's Homestead Community Land Trust recently acquired its 100th home.

Condominium Conversion Ordinances typically contain a variety of policies aimed at discouraging conversions of rental housing to condominiums. Most conversion ordinances include tenant relocation fees, advanced notice to tenants, and a right of first refusal for tenants to purchase their units.

Just Cause Eviction Ordinances are laws that protect renters by ensuring that landlords can only evict with proper cause, such as a tenant's failure to pay rent or destruction of property.

Limited Equity Housing Cooperatives are a partnership wherein residents collectively own and control their housing. The limited equity component limits the return on resale, insuring that housing remains affordable to future residents. Limited equity co-ops promote democratic participation through resident control and ownership.

Nuisance Abatement Laws and Receivership and/or Pro-Active use of the City's Condemnation Authority can be used to encourage rental property owners to maintain their properties and, if needed, take control of the property. Create and empower a advisory board to identify, acquire and maintain vulnerable low income properties.

Proactive and Strategic Code Enforcement can help retain affordable rental housing by ensuring that property owners maintain their buildings and provide healthy, quality homes for tenants. Proactive regular inspections of properties, rather than a reactive complaint-driven inspection policy, can be an effective tool to prevent property deterioration and its negative effects. For example, under its Systematic Code Enforcement Program, Los Angeles inspects all rental properties at least every five

years. Burlington, Vermont charges landlords an annual registration fee in order to fund its rental housing inspection program. Seattle is currently working on developing such a program.

TOOLS NOT CURRENTLY AVAILABLE IN SEATTLE

Deed-Restricted Homeownership programs, like CLTs, provide subsidized homeownership opportunities to lower income households and limit the resale value of the home to ensure the home remains affordable to another lower income household, while allowing the owner to accrue some of the appreciation. Deed restrictions are typically placed on properties that were built, rehabilitated or purchased with government subsidy, or created by inclusionary zoning policies.

Land Bank Properties for Affordable Housing Development. Land banks are government-authorized public authorities that are created to efficiently acquire, hold, manage, and sometimes develop vacant and abandoned properties. The City of Dallas Land Bank targets properties along Dallas Area Rapid Transit corridors (new and existing) for purchase of tax-foreclosed properties to sell to affordable housing developers at below-market prices. The land bank was capitalized by \$3 million in voter-approved bond funds and a \$250,000 loan from the Real Estate Council.

TOOLS NOT CURRENTLY AVAILABLE IN SEATTLE; RAISES CONSTITUTIONAL QUESTIONS AND/OR MORE LEGAL ANALYSIS NEEDED

Advance Notice and First Right of Refusal Laws can be passed at the state and local level to provide nonprofit affordable housing developers, tenants, or cooperatives with advanced notice and/or the first opportunity to bid if affordable properties are put up for sale or planned for conversion to market-rate. They typically cover subsidized rental units but can also cover unassisted units. More recent laws have included stronger purchase opportunities including the right of offer upon threatened conversion and right of purchase upon conversion. In Illinois and Rhode Island, tenants or a state or local agency have the right to buy at-risk buildings facing conversion, usually in partnership with a developer. Chicago's Affordable Housing Preservation Ordinance requires owners to notify the housing department as well as the tenants if they plan to sell or convert a subsidized rental property.

One for One Affordable Housing Replacement Ordinances require developers to replace affordable housing units lost to demolition, condominium conversion, or conversion to nonresidential development, or to make financial contributions to affordable housing funds in lieu of the replacement. These policies can apply to subsidized housing or private-market housing and can be implemented citywide, in particular zones, or included in incentive zoning policies. Arlington County, for example, created a Special Affordable Housing Protection District in 1990, requiring one for one replacement of affordable units located within ½ mile of transit stations zoned for higher density. One-for-one replacement policy is found in city support for SHA HOPE VI projects and some major institution master plans. Seattle has no citywide policy. Councilmember Licata is pursuing the adoption of a citywide one-for-one replacement policy for private and public developments requiring land use code changes (upzones, rezones, street or alley vacations) or city funding.

Rent Control/Rent Stabilization laws protect tenants in privately owned residential properties from excessive rent increases by mandating reasonable and gradual rent increases, while at the same time ensuring that landlords receive a fair return on their investment. Washington state law does not allow localities to enact rent control.

"Special Review District Overlays" could potentially be created in neighborhoods with high affordability gaps or where redevelopment is occurring to ensure expansion and preservation of low income housing. Area or neighborhood wide advisory boards would monitor loss/gains of low income units in that area, set annual targets, and recommend and implement neighborhood specific preservation/finance tools to meet targets. This concept is based on the existing practice of using "cultural overlay districts" and "historic preservation districts" to ensure that new development preserves the character of the neighborhood.

Tax Increment Financing (TIF) for Affordable Housing is increasingly being used in communities with high-cost housing markets where affordability is a concern. TIF is traditionally a local economic development tool to fund capital improvements: it allows localities that are making public improvements (such as roads, parks, and sewers) in specific areas designated for redevelopment to borrow funds for the improvements and pay back that debt with the additional tax revenue that the improvements will generate via increased property and/or sales tax revenues (the "increment"). It is based on the idea that public investments will increase the value of a place and that will show up in higher property values and/or more sales receipts. Austin, Texas passed legislation in 2007 to enable the creation of "Homestead Preservation Districts" in TODs that would use TIF, land trusts, and land banks to preserve affordable housing and prevent gentrification in neighborhoods around transit.