



**Legislative Department  
Seattle City Council  
Memorandum**

**Date:** February 21, 2013  
**To:** Special Committee on South Lake Union  
**From:** Sara Belz and Ketil Freeman, Council Central Staff  
**Subject:** South Lake Union Urban Center Rezone - Affordable Housing Incentive Program Policy Background

Introduction

This memorandum sets out some [Comprehensive Plan](#) affordable housing goals and policies and other guidance applicable to implementation of affordable housing incentive programs in South Lake Union. As with all Comprehensive Plan policies, affordable housing policies should be interpreted as guidance applicable to a range of potential City actions. Policies do not, in and of themselves, compel a particular strategy or regulation.

Comprehensive Plan - Housing Element

The Housing Element of the Comprehensive Plan sets out a variety of goals and strategies for production and preservation of market rate and affordable housing. Affordable housing goals relevant to affordable housing incentive programs include, but are not limited to, the following:

- HG13 - Provide new low-income housing through market-rate housing production and assisted housing programs.
- HG14 - Preserve existing low-income housing, particularly in urban centers and urban villages where most redevelopment pressure will occur.
- HG16 - Achieve a distribution of household incomes in urban centers and urban villages similar to the distribution of incomes found citywide.

Additionally, the Housing Element contains the following policy specific to implementation of affordable housing incentive programs.

- H31 - Promote the continued production and preservation of low-income housing through incentive zoning mechanisms, which include density and height bonuses and the transfer of development rights. Consider expanding the use of incentive zoning for affordable housing in neighborhoods outside downtown, particularly in urban centers.

Comprehensive Plan - South Lake Union Neighborhood Plan

The South Lake Union neighborhood plan goals and policies were amended in 2006 through [Ordinance 122313](#) to reflect the area's designation as an urban center. The housing goals and policies from the

neighborhood plan, in their entirety, are attached to this memorandum. The neighborhood plan establishes two housing goals:

- SLU G-11 - A wide range of housing types is integrated into the community, accommodating households that are diverse in their composition and income.
- SLU G-12 - Housing in South Lake Union is affordable for and attractive to workers in South Lake Union, to enable people to live near their jobs.

Neighborhood plan-specific affordable housing policies that help guide implementation of those goals are set out below.

- SLU-P33 - Provide incentives to encourage housing for people across a range of incomes in a variety of housing types, particularly in mixed-income buildings.
- SLU-P34 - Encourage affordable housing units throughout the community through new construction and preservation of existing buildings.

#### Other Guidance

In 2008, through [Ordinance 122882](#), the Council established a framework for affordable housing incentive programs outside of the Downtown Urban Center. Substantive and procedural requirements established in that framework include the allowance of additional development above a “base” if a developer either: 1) provides housing in their development (“performance”) or 2) makes an in-lieu payment to the City. Rental housing provided through “performance” must be affordable to households earning up to 80% of the area median income (about \$55K /year for a two person household). Condominiums must be affordable to households earning up to 100% of area median income (about \$69K/ year for a two person household). The current in-lieu payment amount is about \$19 / gross s.f., calculated with an 80% assumed efficiency factor for non-leasable space.

As a companion to Ordinance 122882, the Council also adopted [Resolution 31104](#). Resolution 31104 establishes the Council’s intent to consider implementing affordable housing incentive programs when significantly increasing residential or commercial development capacity through rezones or text amendments. Among other things, Resolution 31104 sets out the following guidance with respect to the “base” above which floor area must be gained by participation in an affordable housing incentive program:

Section 3. Base Height and Density. In implementing an incentive zoning program the Council and Mayor intend that the height limit and maximum density allowed under existing zoning should be the "base" above which additional development capacity must be achieved through participation in an incentive zoning program. However, the Council and Mayor recognize that conditions of the built environment, planning objectives, and other considerations might compel use of a different base. The Council requests that when the Mayor proposes a base that is different from existing maximum height and density, that the Department of Planning and Development Director's Report provide a rationale for why the proposed base differs from existing.

## **South Lake Union Housing Goals and Policies**

### **Housing Goals**

SLU-G11 A wide range of housing types is integrated into the community, accommodating households that are diverse in their composition and income.

SLU-G12 Housing in South Lake Union is affordable for and attractive to workers in South Lake Union, to enable people to live near their jobs.

### **Housing Policies**

SLU-P33 Provide incentives to encourage housing for people across a range of incomes in a variety of housing types, particularly in mixed-income buildings.

SLU-P34 Encourage affordable housing units throughout the community through new construction and preservation of existing buildings.

SLU-P35 Encourage both rental and ownership housing.

SLU-P36 Promote housing, amenities, and services, including schools and childcare, community center, library programs and other public services that promote a healthy community and that will attract more families to move into the South Lake Union neighborhood.

SLU-P37 Encourage employers to develop and participate in strategies that allow employees to live near their work.

SLU-P38 Allow housing and businesses throughout South Lake Union to provide opportunities for people to work and live in the neighborhood.

SLU-P39 Identify locations within South Lake Union where housing could be particularly concentrated to create viable urban residential communities.

SLU-P40 Promote the development of live-work housing, especially when designed to meet the special needs of groups like artists and their families.