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CITY OF SEATTLE
RESOLUTION 31547

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A RESOLUTION calling for promoting workforce housing in Seattle by supporting a regional transit oriented development acquisition fund and by exploring the expansion of the development of accessory dwelling units and detached accessory dwelling units.

WHEREAS, as Seattle continues to grow and develop, the City has established housing affordability targets in its Comprehensive Plan intended to encourage the creation of housing affordable to people from a range of ages, incomes, and family sizes; and

WHEREAS, The Council and Mayor will jointly convene the Seattle Housing Affordability and Livability Advisory Committee to evaluate potential housing strategies to increase the development of a diversity of housing types and rents/prices for Seattle residents that will issue a report to the Council and Mayor in 2015; and

WHEREAS, Council adopted Resolution 31444 in May 2013, calling for a review of national best practices in affordable housing programs and policies, focused on creating affordable Workforce Housing defined as rental housing affordable to households earning 60% to 80% of Area Median Income (AMI) and homeownership housing affordable to households earning 80% to 100% of AMI ; and

WHEREAS, the Council contracted with Otak and Penninger Consulting to complete this review and a final report entitled "Seattle Workforce Housing Programs and Policies Related to Meeting Workforce Housing Needs in Seattle: A Survey and Analysis of Best Practices in Comparative Jurisdictions" has been submitted to the Council; and

WHEREAS, this report included recommendations, one of which the Council is interested in pursuing further at this time, related to the development of a regional transit oriented development (TOD) acquisition fund and another related to modifications to the accessory dwelling unit and detached accessory dwelling units regulations that the Council would like the Seattle Housing Affordability and Livability Committee to consider; and

WHEREAS, several different jurisdictions around the country have implemented TOD funds utilizing public and private capital to enable affordable housing developers to quickly secure sites close to transit stations or corridors for the future development of higher density, mixed-use housing development, including affordable housing; and

WHEREAS, the City has participated over the last several years in discussions with the Growing Transit Communities Partnership, a consortium of public, private and non-profit

1 stakeholders led by the Puget Sound Regional Council (PSRC), regarding the creation of
2 a regional transit oriented development fund, referred to as the Regional Equitable
Development Initiative (REDI) Fund; and

3 WHEREAS, the REDI Fund is designed to provide loans to secure sites and existing multifamily
4 buildings near existing and future transit stations and corridors throughout the Puget
Sound region and repurpose these sites as affordable housing; and

5 WHEREAS, the regional partners are ready to move forward on the creation of such a fund in
6 the Puget Sound Region and are looking for commitments of resources from public and
private funders to create the REDI Fund; and

7 WHEREAS, accessory dwelling units inside a home have been authorized in the Seattle
8 Municipal Code since 1994 and detached accessory dwelling units were authorized in the
9 Seattle Municipal Code in 2006 for Southeast Seattle and citywide in 2009; and

10 WHEREAS, other jurisdictions have adopted different regulations for accessory dwelling units
11 that could serve as a model for Seattle; and

12 WHEREAS, a full reporting of the number, location, rents, and other characteristics of accessory
13 dwelling units and detached accessory dwelling units in Seattle and additional
14 information and analysis of possible new policies or programs that could be implemented
15 is critical for the Seattle Housing Affordability and Livability Committee's consideration
of possible modifications or implementation of new policies or programs for accessory
dwelling units; NOW THEREFORE,

16 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:**

17 **Section 1.** The Council intends to identify and authorize funding of \$1 million for the
18 Central Puget Sound Regional Equitable Development Initiative Fund (REDI) as part of the
19 Council's discussions of the Proposed 2015-2016 budget. City funding will not be allocated
20 until a business plan and appropriate agreements among regional funding partners are submitted,
21 reviewed, and approved by Council. In addition, the Council intends to support a joint
22 application to the Washington State Department of Transportation's Regional Mobility Grant
23 Program submitted by King County and our other regional partners that could provide funding
24 for the REDI fund.

1 **Section 2.** The Council requests that the Department of Planning and Development
2 (DPD) prepare a report on Seattle's development regulations regarding accessory dwelling units
3 (ADUs) and detached accessory dwelling units (DADUs), hereafter referred to together as
4 ADU/DADUs. This report shall be provided to the Seattle Housing Affordability and Livability
5 Advisory Committee by March 15, 2015

6 A. The report should answer, at least, the questions listed below:

- 7 1. A summary of existing regulations for ADU/DADUs.
- 8 2. How many ADU/DADUs currently exist in Seattle?
- 9 3. Where are the existing ADU/DADUs and when were they built?
- 10 4. What do we know about the range of rents and average rents for ADU/DADUs?
- 11 5. What is the potential number of lots where new DADUs could be built?
- 12 6. What is the cost of permit fees for ADU/DADUs?
- 13 7. What are the common characteristics (i.e. size, location on lot, geographic
14 location in the city) of plans approved for the construction of DADUs?
- 15 8. Could specific plans for pre-fabricated DADUs be approved?

16 B. In addition, the report shall include information and analysis on program and policy
17 changes, including the changes outlined below, that could increase the production of
18 ADU/DADUs and answer the questions that follow regarding the potential impact on
19 ADU/DADU development.

- 20 1. Provide incentives for the construction of new ADU and DADUs:
 - 21 a. Waive all or a portion of permit fees;
 - 22 b. Waive all or a portion of permit fees contingent upon an income restricted
23 covenant for the unit of 60 or 80% AMI;
 - 24 c. Pre-approve pre-fabricated designs and allow streamlined permitting for
25 projects that utilize those plans;

- 1 d. Other incentives that have served as best practices in other jurisdictions.
- 2 2. Increase marketing and promotion to property owners of ADU and DADU
- 3 opportunities:
- 4 a. Promote pre-fabricated design and plans to eligible property owners;
- 5 b. Simplify and streamline financing programs through a partnership with a
- 6 bank;
- 7 c. Other outreach and promotion best practices.
- 8
- 9 3. Explore regulatory changes that could encourage the development of ADU
- 10 and DADUS:
- 11 a. Remove or change parking requirements;
- 12 b. Remove or change owner-occupancy requirements;
- 13 c. Changes to the number of people allowed to reside in a single dwelling
- 14 unit;
- 15 d. Changes to the eligible lot size.
- 16 4. How would the change to current regulation(s) impact the feasibility of
- 17 creating ADU/DADUs?
- 18 5. How many more ADU/DADUs might be created as result of the change in
- 19 regulation(s)?
- 20 6. What might be the policy tradeoffs or implications of the change in regulation
- 21 or the permitting process?
- 22 7. What resources would be required to implement the change?
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Adopted by the City Council the ____ day of _____, 2014, and
signed by me in open session in authentication of its adoption this ____ day
of _____, 2014.

President _____ of the City Council

Filed by me this ____ day of _____, 2014.

Monica Martinez Simmons, City Clerk

(Seal)

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Legislative	Traci Ratzliff 4-8153	Lisa Mueller 4-5339

Legislation Title:

A RESOLUTION calling for promoting workforce housing in Seattle by supporting a regional transit oriented development acquisition fund and by exploring the expansion of the development of accessory dwelling units and detached accessory dwelling units.

Summary of the Legislation:

The resolution states the Council's intent to identify and authorize funding of \$1 million for the Central Puget Sound Regional Equitable Development Initiative Fund (REDI) as part of the Council's discussions of the Proposed 2015-2016 budget. City funding will not be allocated until a business plan and appropriate agreements among regional funding partners are submitted, reviewed, and approved by Council. In addition, the Council intends to support an application to the Washington State Department of Transportation's Regional Mobility Grant Program submitted by King County and our other regional partners that could provide funding for the REDI fund.

The resolution also requests the Department of Planning and Development to collect information and analyze: possible modifications to current regulations governing accessory dwelling units (ADUs) and detached accessory dwelling units (DADUs); and new programs or policies that could be implemented that would result in an increase in the number of ADU's and/or DADUs. DPD is requested to provide this information in a report to the Seattle Housing Affordability and Livability Agenda (HA&L) Advisory Committee that will be jointly convened by the Council and Mayor to examine strategies for increasing availability of affordable workforce housing. DPD is required to provide this report by March 15, 2015, in advance of the HA&L Advisory Committee completing its work.

Background:

In May of 2013, the Council adopted Resolution 31444, calling for a review of national best practices in affordable housing programs and policies, focused on creating affordable Workforce Housing defined as rental housing affordable to households earning 60% to 80% of Area Median Income (AMI) and homeownership housing affordable to households earning 80% to 100% of AMI.

The Council contracted with Otak and Penninger Consulting to conduct this review and the consultants have now submitted a report entitled "Seattle Workforce Housing Programs and Policies Related to Meeting Workforce Housing Needs in Seattle: A Survey and Analysis of Best Practices in Comparative Jurisdictions".

This report included a number of recommendations, one of which the Council is interested in pursuing now, related to the development of a regional transit oriented development (TOD) acquisition fund, and another related to modifications to the accessory dwelling unit regulations that the Council would like the Seattle Housing Affordability and Livability (HA&L) Committee to consider.

Please check one of the following:

This legislation does not have any financial implications.
 (Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)
 No funds are authorized by this ordinance – but anticipate doing so as part of the Council's 2015-2016 budget review.

This legislation has financial implications.
 (If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" Section. Please delete the instructions provided in parentheses at the end of each title and question.)

Appropriations:

(This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not supported by revenue/reimbursements, please confirm that there is available fund balance to cover this appropriation in the note section.)

Fund Name and Number	Department	Budget Control Level*	2014 Appropriation	2015 Anticipated Appropriation
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

Anticipated Revenue/Reimbursement Resulting from this Legislation:

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.)

Fund Name and Number	Department	Revenue Source	2014 Revenue	2015 Revenue
TOTAL				

Revenue/Reimbursement Notes:

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

(This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.)

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2014 Positions	2014 FTE	2015 Positions*	2015 FTE*
TOTAL							

* 2015 positions and FTE are *total* 2015 position changes resulting from this legislation, not incremental changes. Therefore, under 2015, please be sure to include any continuing positions from 2014.

Position Notes:

Do positions sunset in the future?

(If yes, identify sunset date)

Spending/Cash Flow:

(This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.)

Fund Name & #	Department	Budget Control Level*	2014 Expenditures	2015 Anticipated Expenditures
TOTAL				

* See budget book to obtain the appropriate Budget Control Level for your department.

Spending/Cash Flow Notes:

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
 (If yes, explain them here.) N/A

- b) What is the financial cost of not implementing the legislation?**
(Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs.) N/A
- c) Does this legislation affect any departments besides the originating department?**
(If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of the proposed legislation.) N/A
- d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?** (Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.) N/A
- e) Is a public hearing required for this legislation?**
(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)
No
- f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
(For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.)
N/A
- g) Does this legislation affect a piece of property?**
(If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.)
N/A
- h) Other Issues:**

List attachments to the fiscal note below: