



City of Seattle

Office of the Mayor

City of Seattle

Jenny A. Durkan, Mayor

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CITY CLERK

Executive Order 2019-02: Actions to Increase Affordability and Address Residential Displacement

An Executive Order recognizing the need to create affordable, inclusive neighborhoods and directing City departments to develop and implement strategies to further affordability – including affordability of low- and middle-income housing – and mitigate residential displacement, particularly in neighborhoods with communities at high risk of displacement.

WHEREAS, the City's recent, unprecedented growth is bringing tremendous opportunity and prosperity to Seattle; and

WHEREAS, without thoughtful policies, deliberate planning and investment during this period of unprecedented growth and change, we risk displacement of long-time community members; and

WHEREAS, the City has actively been working on a series of initiatives to help address the displacement of commercial spaces and artists; and

WHEREAS, the ongoing need for affordable housing choices has outpaced the development of new affordable housing; and

WHEREAS, the City's 2017 Assessment of Fair Housing affirmed that historic redlining, discriminatory mortgage practices, and restrictive covenants significantly shaped the racial character of Seattle neighborhoods, and economic pressures are driving displacement of residents from their long-standing communities; and

WHEREAS, the City's 2017 Assessment of Fair Housing details trends of displacement in Seattle, including the distinct loss of the Black/African American population in and around the Central District and in much of Southeast Seattle; and

WHEREAS, the Seattle 2035 Growth and Equity Analysis analyzed impacts of Seattle's growth and mapped displacement risk and access to opportunity using data on demographics, amenities, development potential, and rents; and

WHEREAS, the City acknowledges that residential displacement must be considered dynamic, analyzing data trends over time to understand populations that have been at risk or that might

be at risk of future displacement, and commits to further analysis once the data from the 2020 Census becomes available; and

WHEREAS, eviction proceedings disproportionately impact women and people of color and can cause displacement and homelessness; and

WHEREAS, the City is committed to affirmatively furthering fair housing, which includes increasing affordable housing options, ending segregation and discrimination, and addressing displacement; and

WHEREAS, the City's investments in affordable rental housing and homeownership provides economic mobility, helps low-income homeowners and renters stay in their communities, and prevents homelessness for families and individuals; and

WHEREAS, the City makes investments in affordable rental and ownership housing in neighborhoods across the city to provide a safe, stable home for seniors, people with disabilities, low-wage working individuals and their families, and people experiencing homelessness; and

WHEREAS, we have learned some of the most effective solutions to fight displacement will be community based, which have arisen from the Equitable Development Initiative and related efforts from the City's response to the challenges of residential, commercial and cultural displacement; and

WHEREAS, community organizations and members have advocated for more impactful strategies to promote community stability in the face of displacement pressure, particularly in high displacement risk and low access to opportunity neighborhoods; and

WHEREAS, additional resources, financing tools, and other policies and programs could help generate new affordable housing, address residential displacement and prevent eviction; and

WHEREAS, cities can be limited in some tools to address some issues, which is why the City will continue to advocate for policies that may require state action; and

WHEREAS, ongoing community engagement, particularly with impacted communities, will continue to shape the tools, policies and programs that the City implements to create new affordable housing, address residential displacement and prevent eviction; and

Now, THEREFORE, I, Jenny A. Durkan, Mayor of Seattle, hereby issue the following Executive Order:

Section 1: Act with urgency to address residential displacement and increase affordability with priority actions in 2019.

A. City-supported production and preservation of affordable housing, via programs administered by the Office of Housing, is essential to promoting low-income and marginalized communities' access to opportunity and preventing residential displacement. To sustain and enhance the effectiveness of these funding programs, the Office of Housing shall update their Funding Policies with the following policies that will help address residential displacement. The 2019-2020 Housing Funding Policies shall be submitted to the City Council by April 30, 2019.

- i. *Community Preference Policy in high risk of displacement neighborhoods:* In collaboration with City-funded affordable housing developers, the Office of Housing shall develop a policy that encourages housing developers to propose and implement Community Preference in the leasing and sale of City-funded rental and ownership housing located in high risk of displacement neighborhoods, on a case by case basis.

The Office of Housing, with support from the Department of Neighborhoods, Office for Civil Rights, the City Attorney's Office and stakeholders, shall establish guidelines that provide a legal and analytical framework for how Community Preference can be designed in a manner consistent with local, state and federal Fair Housing laws. The Office of Housing shall provide technical assistance to interested City-funded affordable housing developers to design and implement Community Preference.

- ii. *Homeownership on publicly owned sites:* The Office of Housing shall develop policies that encourage partnership with community-based organizations, particularly in high displacement risk areas, and provide flexible funding amounts to maximize homeownership on publicly owned sites.
- iii. *Continuation of the Acquisition and Preservation Program:* The City shall develop a policy that allows for continued financing under the Acquisition and Preservation Program. The Office of Housing shall collaborate with the Seattle Housing Authority (SHA) to utilize loan funds to acquire and preserve expiring subsidized buildings and prevent displacement of low-income residents.
- iv. *Expand scope of home repair program to help low-income homeowners stay in their homes:* The Office of Housing shall develop a policy that expands the City's

home repair program to provide no interest loans to low-income homeowners to improve or increase habitable space and meet the low-income household's needs or generate income.

- B. The City shall implement Mandatory Housing Affordability (MHA) requirements so that all future multi-family and commercial development contributes to affordable housing with a goal of producing at least 6,000 homes for households at or below 60% of the Area Median Income (AMI) by 2028. The Office of Housing and the Department of Construction and Inspections shall monitor and report annually on MHA implementation. The City commits to modifying elements of MHA, if necessary, based on annual report findings, in order to achieve its goals to create new income- and rent-restricted housing throughout the city.
 - i. The City shall continue to encourage the incorporation of affordable housing in MHA projects, also known as MHA performance projects.
 - ii. The Office of Housing shall report to the Mayor every six months the percentage of performance, off-site development, or payment options.
- C. The Seattle Office for Civil Rights shall work with the City Attorney's Office, the King County Bar Association, non-profits, and property owners to recommend changes to the Just Cause Eviction Ordinance that strengthens tenant protections in advance and during eviction proceedings.
- D. The Mayor will transmit legislation to the City Council later this year to renew the Multi-Family Tax Exemption program in 2019 to continue its track-record of delivering income- and rent-restricted housing for low- and middle-income households in market-rate development.
- E. The City's Affordable Middle-Income Housing Advisory Council, created in January 2019, shall review and recommend a suite of housing and finance strategies, including but not limited to, investment strategies, the use of public lands, and innovative construction to facilitate delivery of for-rent and for-sale housing affordable for Seattle's middle-income wage earners, helping to close the gap between housing that City subsidy can support and what the private market is producing.
- F. The City will work to leverage a new tax incentive created through the 2017 Federal Tax Cuts and Jobs Act to harness opportunity zone capital for community- identified priority affordable housing and commercial development in designated Opportunity Zone (OZ) neighborhoods. These include parts of Chinatown-International District, Little Saigon,

Judkins Park, Othello, Yesler Terrace, First Hill, the Central District, Rainier Beach, SODO Industrial, Pioneer Square, and Beacon Hill.

- i. The Department of Neighborhoods will carry out a robust engagement process in these neighborhoods to identify priorities.
 - ii. The Mayor's Office will generate an opportunity zone project prospectus to share with investors that will include these priority community projects, as well as host a convening to facilitate the creative financing of these projects.
 - iii. City Departments, including the Office of Housing, the Office of Economic Development, and the Office of Planning and Community Development, will explore the feasibility of combining different types of capital, to include Low Income Housing Tax Credits and Historic District tax credits, to realize affordable housing developments in these Opportunity Zones. They will also explore more cost-effective housing types under the current Opportunity Zone tax legislation, and explore shared ownership or lease to own models that may comport with current Opportunity Zone legislation.
- G. The City, with support from the Innovation Advisory Council, will work on a series of affordability and housing related projects. This work includes new tools to improve equitable access to income- and rent-restricted housing and an online information and screening tool to connect individuals and families to City of Seattle benefit programs and services that can lower their cost of living.

Section 2: The City shall continue to advocate for the Washington State Legislature to increase resources and provide tools that address residential displacement and increase affordability.

- A. The City shall redouble efforts to advocate for the Washington State Legislature to increase availability of resources to fund affordable housing, including but not limited to, legislation that encourages investments in affordable and supportive housing, authorizes additional Real Estate Excise Tax to fund affordable housing, and increases the Housing Trust Fund.
- B. The City shall continue to advocate to lower property tax rates for low-income seniors.
- C. The City shall advocate for the Washington State Legislature to adopt statewide just cause protections for tenants facing eviction.

Section 3: Continue Efforts to Address Displacement and Gentrification Through the Equitable Development Initiative (EDI).

- A. The EDI fund, administered by the Office of Planning and Community Development (OPCD), was created to respond to the needs of marginalized populations, reduce disparities, and support access to opportunity in healthy, vibrant communities. Originally created with one-time funding, this administration has proposed a permanent funding source. The City shall offer technical assistance and continue supporting community-initiated projects that relieve displacement pressures and invest in community members and organizations in high displacement risk neighborhoods.

Section 4: Address residential displacement comprehensively with robust community engagement and interdepartmental collaboration.

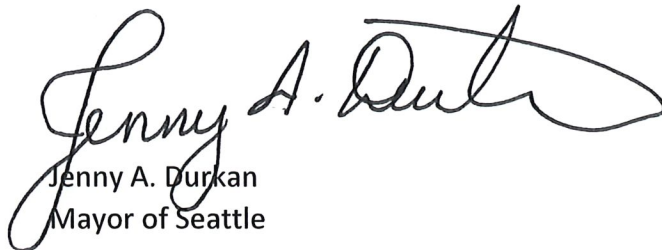
- A. The Affordability and Livability Subcabinet, which was formed in this administration, with specific involvement of the Office of Planning and Community Development, the Office of Housing, the Seattle Department of Construction and Inspections, the Department of Neighborhoods, the Human Services Department, and in coordination with the Seattle Office for Civil Rights and the City Attorney's Office, is hereby directed to include anti-displacement efforts in their 2019 workplan. This anti-displacement effort will look at how regulations, tenant protections, incentives and funding can work together to increase housing affordability and to prevent and mitigate residential displacement, and shall include the following:
- i. Monitor and track residential, commercial and cultural displacement trends in Seattle, starting with Phase I in Q1 2019 of the EDI annual monitoring program to track equitable development outcomes and heightened risk of displacement;
 - ii. Approach the work outlined in this Executive Order in coordination with other anti-displacement efforts, including the EDI, that seek to prevent residential, commercial, and cultural displacement;
 - iii. Make recommendations to the Mayor and her Executive Team about regulations, incentives, protections and funding opportunities that can help address residential displacement; and
 - iv. Design and implement innovations to City processes, practices, and policies to address these persistent challenges.
- B. Determine if additional incentives or regulations will decrease the number of individuals displaced by development or increase the creation of housing for people in high risk displacement areas. Building off the successful framework of inclusive

community engagement developed as part of the Equitable Development Initiative (EDI), the Department of Neighborhoods, in coordination with EDI partner departments including the Office of Planning and Community Development, the Office of Housing, the Office of Economic Development, the Office of Arts & Culture, and Office for Civil Rights, shall develop and execute a plan that engages community members to make recommendations on anti-displacement efforts in a holistic and comprehensive way, so that the City and community can approach specific actions to address displacement. In addition, the Subcabinet will re-evaluate its work twice annually to address emerging issues related to gentrification and displacement. The Affordability and Livability Subcabinet shall report to the Mayor on the status of all elements of this Executive Order, no later than May 31, 2019 and quarterly thereafter.

- C. The President of the City Council shall be requested to designate two City Council members to receive quarterly updates by members of the Affordability and Livability Subcabinet.

Any questions about this Executive Order should be directed to Deputy Mayor Shefali Ranganathan.

Dated this 20th day of February, 2019



Jenny A. Durkan
Mayor of Seattle