



Planning and Economic Development Committee Agenda SPECIAL MEETING

July 5, 2022
4:30 pm–5:30 pm
Hybrid Meeting

As the City transitions to a hybrid format, please be patient. We are trying our best to make everything work as seamlessly as possible, but that requires many people, technologies, and systems to work together. Thank you.

This meeting will be conducted in a hybrid format with in-person and remote options for public participation. The meeting will be broadcast on SeaTV Government Access Comcast Channel 21 and live-streamed on the City’s website <https://www.seatacwa.gov/seatvlive> and click play.

A quorum of the Council may be present.

Committee Members: Councilmember Mohammed Egal, Chair
Councilmember Peter Kwon
Mayor Jake Simpson

Staff Coordinator: Evan Maxim, CED Director

ITEM	TOPIC	PROCESS	WHO	TIME
1	Call to Order		Chair	4:30
2	<p>PUBLIC COMMENTS: The committee will hear in-person public comments and is also providing remote oral and written public comment opportunities. All comments shall be respectful in tone and content. Providing written comments and registering for oral comments must be done by 2:00 pm the day of the meeting. Registration is required for remote comments and encouraged for in-person comments. Any requests to speak or provide written public comments which are not submitted following the instructions provided or by the deadline will not be included as part of the record.</p> <ul style="list-style-type: none"> • Instructions for registering to providing oral public comments are located at the following link: Registration for Oral Public Comments - Council Committees and Citizen Advisory Committees • Submit email/text public comments to pedpubliccomment@seatacwa.gov. The comment will be mentioned by name and subject and then placed in the committee handout packet posted to the website. 		Chair	4:30 (2 min)
3	Minutes of June 23, 2022 PED meeting	Review and approve	Committee	4:32 (2 min)

4	Affordable Housing: CED Workplan	Informational Briefing	Jenn Kester / Kate Kaehny	4:34 (60 min)
6	Adjourn		Chair	5:30



Planning & Economic Development Committee Minutes

Thursday 6/23/22
4:00 PM – 5:30 PM
* Hybrid Meeting *

Members:	Present:	Commence: 4:19 PM Adjourn: 5:34 PM
Mohamed Egal, Chair	X	
Jake Simpson, Mayor	Absent	
Peter Kwon, Councilmember	X	

Other Councilmembers:

Staff & Presenters: Evan Maxim, *CED Director*; Jenn Kester, *Planning Manager*; Aleksandr Yeremeyev, *Economic Development Manager*; Tanja Carter, *Economic Development Strategist*; Mary Mirante Bartolo, *City Attorney*; Kate Kaehny, *Senior Planner*; Ha Dao, *Assistant City Attorney*; Gwen Pilo, *Finance Manager*; Barb Mailo, *Admin 3*; SeaTV

1. Call to Order	Chair Egal called the meeting to order at 4:19 pm. <i>Meeting commenced late due to technical issues in the Council Chambers.</i>
2. Public Comments	Written public comments: Received from Jessica Majoor on May 27, 2022. Public oral comments: None
3. Minutes of 5/26/22 regular meeting	<u>Review and approve</u> Councilmember Kwon indicated that two corrections were needed to be made to the meeting minutes. The corrections were: Item 3 – correction should be “moved by Mayor Simpson, second by Councilmember Kwon, and approved unanimously by committee.” Item 5 – correction should be “Unanimously approved by committee.” Chair Egal agreed to approve the corrections to the meeting minutes as indicated by Councilmember Kwon. CED Director Evan Maxim confirmed that corrections of the meeting minutes indicated will be made.

<p>4. ARPA Proposals: Overview and Briefing</p>	<p><u>Informational briefing</u></p> <p>The purpose of the presentation was to provide an overview of the ARPA funding programs economic development proposes based on the effects of the COVID global pandemic on SeaTac businesses. Council provided direction to proceed at the 5/10 CSS.</p> <p>Presented by Economic Development Strategist Tanja Carter:</p> <ul style="list-style-type: none"> • Cornerstone of Economic Development (EcDev) • COVID Effects on BRE • Childcare as BRE Solution • Childcare Initiative • Ecommerce & Digital Literacy as BRE Solution • Ecommerce & Digital Literacy Initiative <p>Discussion commenced with Councilmember Kwon, Tanja Carter, and Chair Egal.</p> <p>Presented by Economic Development Manager Aleksandr Yeremeyev:</p> <ul style="list-style-type: none"> • Access to Business Capital – Landscape • SeaTac Business Capital Access Fund Program (Flex Fund - RLF) <p>Discussion commenced with Councilmember Kwon, Aleksandr Yeremeyev, and Chair Egal.</p> <p>Potential Committee Action: None; Informational update to Committee.</p>
<p>5. Affordable Housing: CED Workplan</p>	<p><u>Informational briefing</u></p> <p>At 5:29 pm - Director Maxim suggested for the Council Committee to extend the meeting as the meeting end time of 5:30 pm was approaching. Council Committee agreed to extend the meeting to 5:50 pm.</p> <p>Director Maxim suggested that the allotted time of 20 minutes was not enough to cover the remaining agenda item. Director Maxim asked the Council Committee if they would like to extend the meeting further than 5:50 pm or if they would like to schedule a special PED meeting to present the remaining item on the agenda.</p> <p>The Council Committee agreed to move this agenda item to a “Special” PED meeting due to the extensive time it will take to present and discuss.</p>
<p>6. Adjourn</p>	<p>Chair Egal adjourned meeting at 5:34 pm.</p>



MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: July 5, 2022
To: PED Committee
From: Kate Kaehny, Senior Planner
Subject: Overview of Briefing on SeaTac's Housing Work Plan

BACKGROUND

In light of recent Councilmember requests, CED staff will brief the PED Committee on the City's current housing work plan and related issues at the July 5 meeting.

OVERVIEW OF BRIEFING ITEMS

In order to provide a thorough overview of the work plan, the briefing will address the following:

- **Existing Housing Conditions:** Existing housing conditions will be summarized based on information from the Housing Inventory & Assessment Report, which was created as part of the recently completed Housing Action Plan Project. While that project ended before data from the 2020 decennial Census was available, the majority of its data points are still useful in describing the state of housing in SeaTac, and how the city compares to others in the region. (It should also be noted that many Census-related products for smaller cities, including SeaTac, are still under development.)
- **City's Current Housing Policy Approach:** Staff will describe key housing policies and strategies with a focus on those within the Housing & Human Services Element of the Comprehensive Plan, and objectives and strategies identified within the SeaTac Housing Action Plan (adopted in 2021).
- **Housing Work Plan:** Staff will provide background on how the City's work plan is put together, and there will be a review of current and upcoming housing work plan items.
- **Upcoming Housing Opportunity:** Staff will also provide information on a new housing-related opportunity, specifically, the South King County Affordable Housing Database Project. The project is sponsored by five South King County cities and the non-profit organization, SKHHP (South King County Housing & Homeless Partnership). While the project will start this month, there is an opportunity for South King County cities not currently involved to join in the effort. Staff would like input from the PED Committee on whether potential City participation in this project should be explored.

LINKS TO CURRENT SEATAC HOUSING POLICY & DATA DOCUMENTS

- **Housing Action Plan Website:** www.seatacwa/hap
 - [SeaTac Housing Action Plan \(HAP\)](#)
 - [SeaTac Housing Inventory & Assessment Report](#) (completed as part of HAP project)
 - [Information Sheet: SeaTac Population & Housing Quick Facts](#)

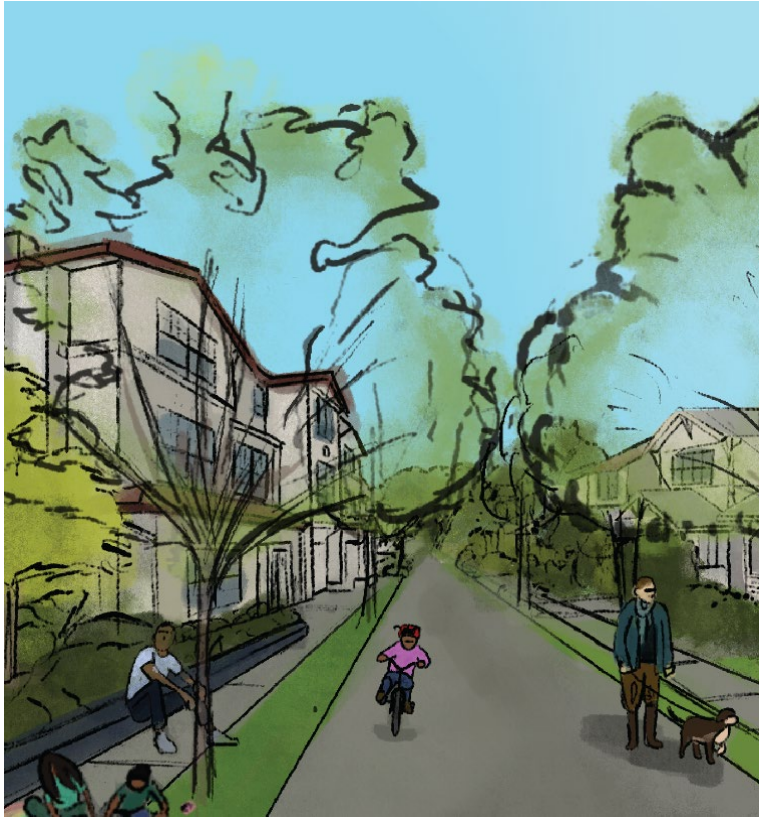
- **Comprehensive Plan**
 - [Ch. 2: Land Use Element](#)
 - [Ch. 3: Housing & Human Services Element](#)

PACKET MATERIALS

- This memo
- Presentation slides

Informational Briefing

Overview of City's Housing Work Plan



Special Planning & Economic
Development (PED) Committee
July 5, 2022



PRESENTATION OVERVIEW

PURPOSE OF PRESENTATION

To provide an overview of the City's current housing work plan, including:

- Background information on existing housing conditions and housing policy approach.
- Summary of current housing work plan items.
- Description of upcoming housing work plan items and opportunities.

WHY IS THIS ISSUE IMPORTANT?

1. Staff was asked by multiple City Councilmembers to provide an update on the City's approach to housing issues.
2. The briefing is timely because upcoming planning projects will explore updates to housing policies and strategies.



NO COMMITTEE ACTION REQUESTED

NO ACTION REQUESTED

- This briefing is primarily intended to provide information to the PED Committee on housing issues in SeaTac and the City's current housing work plan.

REVIEWS TO DATE

- None



WHAT IS THE CITY'S "HOUSING WORK PLAN?"

HOUSING WORK PLAN SUMMARY

- **Informed by: Existing housing conditions, policies, plans & studies, including:**
 - **Comprehensive Plan** (especially Housing & Human Services Element, Land Use Element and station area/subarea plans).
 - **SeaTac Housing Action Plan** (including Housing Inventory & Assessment Report).
- **Content: Consists of action items identified in policy documents, especially the Housing Action Plan, and through City Council priorities.**
- **Revisions: Addressed through policy updates and Council actions.**



BACKGROUND: EXISTING HOUSING CONDITIONS

SEATAC POPULATION & HOUSING (OFM, 2022 Estimates)

- **Population:** 31,910* (*Slight decrease from 2021 because of OFM recalculation of mobile home units in SeaTac and their smaller household sizes)
- **Housing Units:** 11,851

FINDINGS FROM HOUSING ACTION PLAN (adopted 2021)

Homeowners & Renters

- SeaTac almost evenly split between homeowners and renters

Type of Housing

- **52% single family housing, 43% multi-family, 5% mobile homes**
- Most dwelling units are more than 50 years old
- Few “middle density” options like small apartment buildings & townhouses
- King County Housing Authority provides 802 income-restricted housing units in SeaTac, representing about 1/5 of rented housing

Housing Growth & Costs

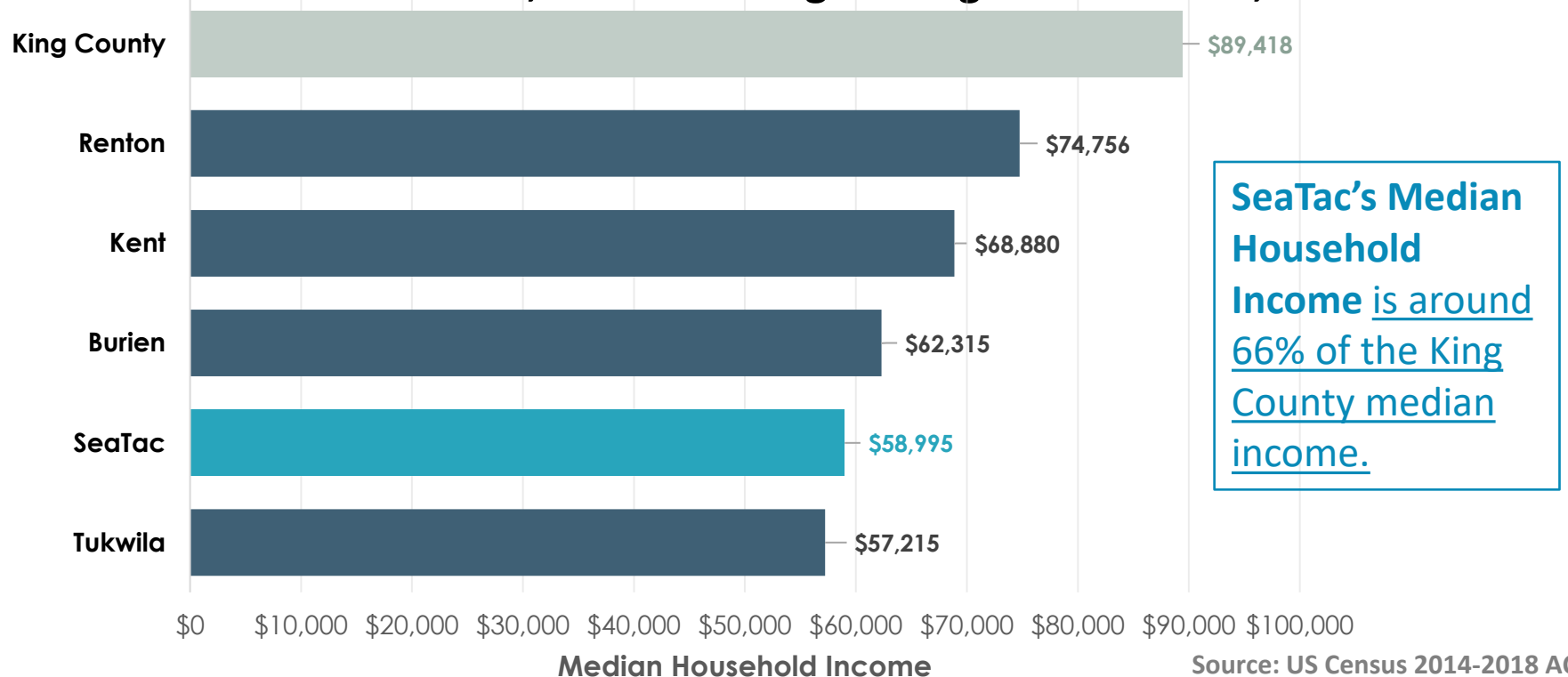
- **SeaTac housing prices have risen more than incomes in the past decade**
- SeaTac housing prices are lower than most other cities in King County (but similar to those in South King County)
- SeaTac has added housing slowly compared to other King County cities, but in last few years there has been increase in multi-family projects

BACKGROUND: INCOME & HOUSING AFFORDABILITY

KEY INDICATORS OF AFFORDABILITY: MEDIAN INCOME, "AMI" (*AREA MEDIAN INCOME*) & COST BURDEN

Definition of Median Household Income: Income at which half of all households make more money and half make less.

Median Household Income, SeaTac & Neighboring Communities, 2018



BACKGROUND: INCOME & HOUSING AFFORDABILITY

AREA MEDIAN INCOME (AMI)

- **Definition of AMI** (sometimes called “MFI - Median Family Income”): **The household income for the median/‘middle’ household in a given region.**
- **HUD (federal Department of Housing & Urban Development) calculates income limits/guidelines for all regions in the US.**
 - SeaTac AMI is calculated from the Seattle-Bellevue “fair market rent (FMR)” region that consists of King and Snohomish Counties.

Income Categories Calculated for SeaTac’s AMI Region in 2020 & Typical Jobs/Income

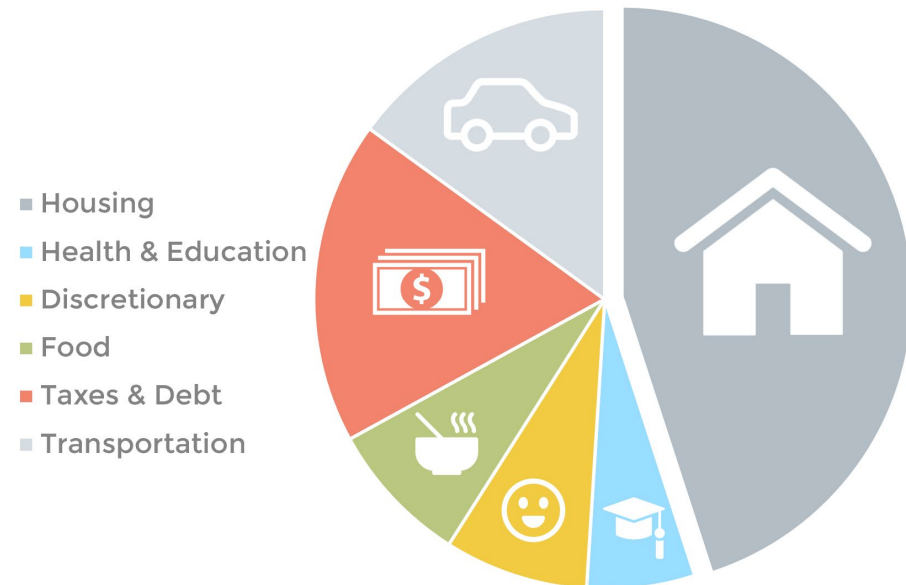
INCOME LEVEL	EXTREMELY LOW INCOME	VERY LOW INCOME	LOW INCOME	MODERATE INCOME	ABOVE MEDIAN INCOME
AMI Range	≤30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	>100% AMI
Single-person household income	\$25,100	\$41,800	\$66,700	\$79,300	>\$79,300
Four-person household income	\$35,800	\$59,700	\$95,250	\$113,300	>\$113,300
Typical Jobs/ Income Sources	Uber Driver	Airport Maintenance	Flight Attendant	Firefighter	Airline Pilot
	Fast Food Worker	City of SeaTac parks operation worker	Middle School Teacher	Dental Hygienist	Software Engineer
	Retiree using Social Security Benefits	Administrative Assistant	EMT	Engineer	

Source: US HUD 2020; City of SeaTac 2020; Berk 2020

BACKGROUND: INCOME & HOUSING AFFORDABILITY

COST BURDEN

- **Definition of Cost Burden:** When a household pays more than 30 percent of their gross income on housing.
- **41% of SeaTac residents are housing cost-burdened**, including:
 - More than half of all renters, and
 - About a quarter of home-owners.



BACKGROUND: GAPS IN HOUSING SUPPLY

SEATAC'S HOUSING GAPS BASED ON HOUSING AFFORDABILITY & COST BURDEN

- **Housing Action Plan Findings:** There are gaps in the availability of housing units that cost less than 30% of household income **at the lowest and highest income levels**

INCOME LEVEL	EXTREMELY LOW-INCOME	VERY LOW-INCOME	LOW-INCOME	MODERATE INCOME	ABOVE MEDIAN INCOME
AMI Range	≤30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	>100% AMI
Existing Demand (units)	1,710	2,410	1,565	1,325	2,850
Existing Supply (units)	345	3,365	3,430	1,555	1,245
SeaTac Housing Unit Gap/Surplus	<u>-1,365</u>	+955	+1,865	+230	<u>-1,605</u>



BACKGROUND: CITY TOOLS TO ADDRESS HOUSING

HOUSING STRATEGIES TOOLKIT

TYPE	SEATAC'S TOOLS
Policies	<ul style="list-style-type: none">▪ Comprehensive Plan, Sub-Area Plans (City Center, S 154th St and Angle Lake station area plans), Functional Plans (Transportation Master Program & Parks, Recreation & Open Space (PROS) Plan)
Development Codes	<ul style="list-style-type: none">▪ Zoning Code, Subdivision Code, other provisions from the SeaTac Municipal Code
Incentives	<ul style="list-style-type: none">▪ Includes financial, code, and other incentives like the Multi-Family Tax Exemption Program (MFTE) and federal Opportunity Zone designation
Capital Project Planning	<ul style="list-style-type: none">▪ Capital Facilities Plan, Capital Improvement Program
Programs/Other City Actions	<ul style="list-style-type: none">▪ Small Home Repair program, rental assistance, and others



BACKGROUND: COMPREHENSIVE PLAN HOUSING POLICIES

KEY POLICY OVERVIEW

In addition to housing growth policies in Land Use Element and station area/subarea plans, main housing-related policies located within Ch 3.

Ch. 3: Housing & Human Services Element

Summary of Goals 3.1 – 3.9

- Increase housing variety and options for all income levels
- Strengthen existing neighborhoods and enhance quality of life
- Maintain mobile home parks

Highlights from Section on Affordability

Goal 3.6: Increase housing opportunities for all economic segments of the community, especially in SeaTac's transit communities.

- **Policy 3.6A: Identify, maintain, and enhance the existing affordable housing stock in SeaTac.**
- **Policy 3.6D** Cooperate with the private sector, non-profit agencies, and public entities in the planning and development of affordable housing in SeaTac.
- **Policy 3.6E** In transit communities, ensure no net loss of affordable housing units.



BACKGROUND: HOUSING ACTION PLAN

SEATAC HOUSING ACTION PLAN (adopted 2021)

Purpose of Plan

Based on current policies, priorities, and information, identify strategies that:

- Promote more housing options for current and future residents at all income levels, and
- Support increases in the housing supply.

Plan includes:

- Five objectives
- 12 housing strategies

Objectives

- 1. Create complete communities.** Strengthen neighborhoods by tying housing production to improved infrastructure, resources, amenities, and people-oriented design.
- 2. Develop Urban Villages near light rail.** Make it easier to develop homes in the light rail station areas as part of the City's urban village strategy.
- 3. Increase missing middle opportunities.** Increase opportunities for "missing middle" options like duplexes, triplexes, and townhouses.
- 4. Strive for a balance of housing options** through strategies that:
 - a. Increase homeownership opportunities
 - b. Serve young people and families
 - c. Preserve existing owner-occupied and rental housing
 - d. Support safe, healthy, high quality housing
 - e. Promote market rate rental options
 - f. Address homes at lower income categories
- 5. Help residents and businesses stay in SeaTac,** and prevent disruption to communities.



BACKGROUND: HOUSING ACTION PLAN STRATEGIES & IMPLEMENTATION

Black = Will address as part of SeaTac 2044 Major Comprehensive Plan Update Project
Purple = On-going Orange = To discuss with City Council Gray = TBD

POLICY AMENDMENT

1. Strengthen "complete community" policies.

CITY WORK PLAN

2. Proactively plan and coordinate public infrastructure to support urban village development.

3. Conduct a multi-family parking study to analyze parking requirements in urban villages and station areas.

4. Explore cost-effectiveness of creating pre-approved plans for Accessory Dwelling Units.

5. Continue conversations with the development community about actions the city can take to attract market rate rental housing.

6. Continue coordinating and providing rental assistance.

CODE AMENDMENTS

7. Add flexibility to Small Lot Single-family requirements.

8. Consider allowing cottage housing in Urban Low zones.

9. Partner with residential property owners in rezoning properties to maximize their housing potential.

10. Consider decreasing minimum lot size in the Urban Low (UL) 7,200 single-family zone.

11. Clarify condominium provisions to make them easier to use.

12. Review and clarify code requirements for live/work units to encourage opportunities for small business owners.



HOUSING WORK PLAN: CURRENT & UPCOMING ITEMS

Work Plan Tools	Items	Timeline
Policies	<ul style="list-style-type: none"> ▪ City Center/Airport District Subarea Plan & Code Project <i>- Includes update of district housing & anti-displacement strategies</i> 	<ul style="list-style-type: none"> ▪ 2022-2023
	<ul style="list-style-type: none"> ▪ SeaTac 2044 Major Comprehensive Plan Update Project <i>- Includes Housing Action Plan policy implementation items</i> 	<ul style="list-style-type: none"> ▪ 2022-2024
Development Codes	<ul style="list-style-type: none"> ▪ Housing Action Plan code implementation <i>- Address through policy update projects above</i> 	<ul style="list-style-type: none"> ▪ 2022-2024
	<ul style="list-style-type: none"> ▪ Explore code amendments that would remove regulatory barriers to building higher density and middle housing options <i>- Address through policy update projects above</i> 	<ul style="list-style-type: none"> ▪ 2022-2024
Incentives	<ul style="list-style-type: none"> ▪ Multi-Family Tax Exemption Program update 	<ul style="list-style-type: none"> ▪ 2023
Capital Project Planning	<ul style="list-style-type: none"> ▪ Various neighborhood-enhancing projects such as improvements to parks, sidewalks, bicycle facilities, pedestrian lighting, etc. 	<ul style="list-style-type: none"> ▪ On-going
Programs/ Other City Actions	<ul style="list-style-type: none"> ▪ Housing Action Plan program implementation, including minor home repair program, rental assistance program, outreach to development community, and others 	<ul style="list-style-type: none"> ▪ On-going

HOUSING WORK PLAN ITEM DETAIL: MAJOR COMPREHENSIVE PLAN UPDATE PROJECT

SeaTac 2044: Major Comprehensive Plan Update Project

- **Opportunity to review and update existing housing policies**
- **Will include updates to comply with new state & regional policies, including:**
 - **Housing Targets:** Incorporate new housing targets & affordable housing targets
 - **Affordability:** Evaluate the effectiveness of housing policies and strategies to achieve housing targets and affordability goals
 - **Middle Housing Types:** Expand housing capacity for moderate density housing, i.e., “missing middle”
 - **Displacement:** Identify potential physical, economic, and cultural displacement of low-income households and marginalized populations and work with communities to develop anti-displacement strategies when planning for growth
 - **Homeownership:** Promote homeownership opportunities while recognizing historic inequities in access to homeownership opportunities for communities of color
 - **Incentive Zoning:** Consider inclusionary and incentive zoning to provide more affordable housing when creating additional housing capacity



UPCOMING OPPORTUNITY

SOUTH KING COUNTY AFFORDABLE HOUSING DATABASE

- **The database will record regulated and unregulated affordable housing units, and other information.**
- The project is sponsored by five South King County cities and the non-profit housing organization SKHHP (South King Housing and Homeless Partners).
- Data collected could be useful in helping to inform housing policy work to be done in City Center/Airport District Subarea Plan Project & SeaTac 2044: Major Comprehensive Plan Update Project.
- While the project is starting this month, there is an opportunity for SeaTac and other South King County cities to participate. Staff could explore the project costs, timeline, and other details.



NO COMMITTEE ACTION REQUESTED

NO ACTION REQUESTED

- This briefing is primarily intended to provide information to the PED Committee on housing issues in SeaTac and the City's current housing work plan.

REVIEWS TO DATE

- None

