



Planning and Economic Development Committee Agenda

July 28, 2022
4:00 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	4:00
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	4:00 (4 min)
3	Minutes of July 5, 2022 PED meeting	Review and approve	Committee	4:04 (2 min)
4	CRF2022-01: Planning Commission Membership and Scope of Work	Review and direction	Jenn Kester	4:06 (45 min)

5	Feasibility Study: Multifamily Rental Housing Inspection Program	Review and direction	Evan Maxim	4:51 (30 min)
6	Adjourn		Chair	5:21



Special Planning & Economic Development Committee Minutes

Hybrid Meeting
Tuesday July 5, 2022
4:30 PM – 5:30 PM

Members:	Present:	Commence: 4:30 PM Adjourn: 5:30 PM
Mohamed Egal, Chair	X	
Jake Simpson, Mayor	X	
Peter Kwon, Councilmember	X	

Other Councilmembers:

Staff & Presenters: Evan Maxim, *CED Director*; Jenn Kester, *Planning Manager*; Kate Kaehny; *Senior Planner*; Alena Tuttle, *Associate Planner*; Ha Dao, *Assistant City Attorney*; Aleksandr Yeremeyev, *Economic Development Manager*; Barb Mailo, *CED Admin 3*

1. Call to Order	Chair Egal called the meeting to order at 4:30 pm.
2. Public Comments	Written public comments: None Public oral comments: None
3. Minutes of June 23, 2022 regular meeting	Review and approve Unanimous approval of meeting minutes by committee.
4. Affordable Housing: CED Workplan	Informational briefing Presented by Planning Manager Jenn Kester, Senior Planner Kate Kaehny, and CED Director Evan Maxim. The purpose of the presentation was to provide an overview of the City’s current housing work plan, including: <ul style="list-style-type: none"> • 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. <p>No Action Requested</p> <ul style="list-style-type: none"> • The briefing is primarily intended to provide information to the PED Committee on housing

	<p>issues in SeaTac and the City's current housing work plan.</p> <p>The presentation included:</p> <ul style="list-style-type: none">• Housing Work Plan Summary• Background: Existing Housing Conditions• Background: Income & Housing Affordability• Background: Gaps in Housing Supply <p>Discussion commenced with Councilmember Kwon, Chair Egal, and Kate Kaehny.</p> <ul style="list-style-type: none">• Background: City Tools to Address Housing• Background: Comprehensive Plan Housing Policies• Background: Housing Action Plan• Background: Housing Action Plan Strategies & Implementation• Housing Work Plan: Current & Upcoming Items• Housing Work Plan Item Detail: Major Comprehensive Plan Update Project• Upcoming Opportunity• No Committee Action Requested <p>Discussion commenced with Mayor Simpson, Councilmember Kwon, and Chair Egal.</p>
5. Adjourn	Chair Egal adjourned the meeting at 5:30 pm.



MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: July 28, 2022
To: Planning & Economic Development (PED) Committee
From: Jenn Kester, Planning Manager
Subject: Planning Commission Membership and Scope of Work

Summary

The PED Committee has been considering changes to the Planning Commission Membership terms and Scope of Work contained in SMC 2.15.200. After a discussion and direction provided at the May 25, 2022, the PED committee meeting, staff has prepared a draft approach and set of code amendments for PED review. Committee members should review the materials below and either 1) provide staff additional direction for amendments or 2) recommend approval these amendments (as amended if desired) and refer to the A&F Committee for final review prior to a Regular Council Meeting.

Proposed Planning Commission Membership Terms Approach

- Retain membership at seven (7) members
- Diversity: Members should represent a cross section of the community, including occupations, skills, experiences, ages, ethnicities, and geographic areas.
- Member Representation: At least one (1) member representing the following interests is preferred:
 - Homeowner.
 - Renter.
 - Owner, operator, or employee of a small business within the City limits
 - Representative of the construction community: builder, architects, engineers, urban planners, designers, etc.
- Residency: Require residency in the City for 1 year prior to appointment to Commission, except:
 - One member can be a non-resident, provided they own, operate, or are employed by a small business in SeaTac.
- Implementation: Allow current members to finish out terms, then evaluate all new/reappointment applications against new membership criteria. Note: This would be included in Ordinance and not in the code amendments.

Proposed Planning Commission Scope of Work Approach

- Include in the scope of work the following items that are not currently specifically identified:
 - Housing affordability, demand, preservation, sustainability, and renter and owner issues.
 - Access to transportation and public spaces.
 - Public health and safety, which includes inspections and code compliance.
 - Other GMA required topics.
- Clarify that the Planning Commission reviews amendments to all "Development Regulations" as defined in the Growth Management Act.

Proposed Municipal Code Changes to SMC 2.15.200 Planning Commission

SMC 2.15.200 Planning Commission

- A. Duties and Responsibilities. The Planning Commission acts in an advisory capacity to the City Council with the following purposes:
1. In order to maintain and achieve the highest level of the City's attributes so that all SeaTac residents and businesses can enjoy and be proud to reside in this community, study and make recommendations to the City Council for adoption of long range comprehensive plans, policies, programs, services, and development regulations that are consistent with and implement the Comprehensive Plan and Growth Management Act (RCW 36.70A) related to:
 - a. Growth management;
 - b. ~~Land use;~~
 - c. Housing, including variety, availability and demand, preservation and sustainability, health and safety, renter and owner issues, and affordability;
 - d. ~~Transportation, including all modes and accessibility;~~
 - e. ~~Community facilities, parks, and open space, including access to parks and services;~~
 - f. Community design and historic resources;
 - g. Economic development;
 - h. Utilities and capital facilities;
 - e. Environmental management; and,
 - f. Topics covered by the Growth Management Act, RCW 36.70A. and development regulations which shall be consistent with and implement the Comprehensive Plan.
 2. Recommend to the City Council ~~such development regulations as defined by RCW 36.70A.030 which that~~ may be deemed necessary, ~~but which shall be~~ and are consistent with and shall implement the Comprehensive Plan, to which shall include but are not limited to the following:
 - a. Subdivision Code, SMC Title 14;
 - b. Zoning Code, SMC Title 15, including the Official Zoning Map;
 - c. Development Review Code, SMC Title 16A;
 - d. Crime Prevention Through Environmental Design Code, SMC Title 17; and
 - e. Shoreline Master Program, Chapter 18.05 SMC.
 3. Conduct public hearings as required, review individual or City-wide rezones initiated by the City, and such other actions as may be requested by the City Council.
 4. Research and fact finding, which may include undertaking such surveys, analyses, research, and reports in order to fulfill the purposes set forth in this section. The Planning Commission is specifically authorized to join with and cooperate with the planning agencies of other cities and counties, to include regional planning agencies, in furtherance of such research and planning.
 5. Work Plan. Annually, by July 15th of each calendar year, to coincide with the City's preliminary budget or mid-year biennial review process, submit to the City Council a work plan for the ensuing calendar year, together with a report on progress made in implementing the goals and requirements of State law and on the status of land use policies and procedures within the City, for the purpose of assisting the Council in establishing a budget to support the Commission. The work plan may include:
 - a. A description of all anticipated amendments to the Comprehensive Plan;
 - b. Anticipated preparation of subarea plans;
 - c. Anticipated area rezones;

- d. Anticipated amendments of development regulations;
 - e. Any other studies and projects reasonably expected to be undertaken; and
 - f. Any estimated direct expenses.
- B. Membership. ~~The Planning Commission shall consist of seven (7) members that are composed of:~~
- ~~1. Four (4) members who are residents of the City; and~~
 - ~~2. Three (3) members who shall own, operate or be employed by business entities located within the City, but if such candidates cannot be found, then these positions shall be residents of the City.~~
 - 1. The intent of the appointment process shall be to evenly represent the Planning Commission's areas of review as stated above in section (A)(1) and reflect the city's diverse community. Members should represent a cross section of the community, including occupations, skills, experiences, ages, genders, ethnicities, and geographic areas.
 - 2. The Planning Commission shall consist of seven (7) members.
 - 3. At least one (1) member representing the following interests is preferred:
 - a. Homeowner.
 - b. Renter.
 - c. Owner, operator, or employee of a small business within the City limits.
 - d. Representative of the construction community: builder, architects, engineers, urban planners, designers, etc.
 - 4. Residency.
 - a. At least six (6) members shall be residents of the City for at least one year (365 days) prior to appointment to the Commission.
 - b. One (1) member may be a non-resident if they have represented a business pursuant to 2.15.200(B)(3)(c) for at least one year (365 days) prior to appointment to the Commission.

Packet Materials:

- a. This memo
- b. PowerPoint

Planning Commission Membership and Scope of Work

Code Amendments

Planning and Economic Development (PED) Committee

July 28, 2022



PRESENTATION OVERVIEW

PURPOSE OF PRESENTATION

- To review the proposed approach and draft code based on discussion and direction from the May 26, 2022 PED Committee meeting

WHY IS THIS ISSUE IMPORTANT?

1. On March 24, 2022, the PED committee considered the establishment of a Renters' Commission.
2. After review and discussion, the PED Committee decided to review the current Planning Commission approach rather than establish a Renters' Commission.



POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED

- Review the proposed changes to the Planning Commission membership terms and scope of work and either:
 1. Provide staff additional direction for amendments.
 2. Recommend approval these amendments, as amended if desired, and refer to the A&F Committee for final review prior to a Regular Council Meeting.

REVIEWS TO DATE

- RCM: 2/8/2022
- PED: 3/24/2022
- PED: 5/26/2022
- PED: 7/28/2022 (Today)



PLANNING COMMISSION MEMBERSHIP TERMS APPROACH

APPROACH:

- Retain membership at **7 members**
- **Diversity:** Members represent a cross section of the community, including occupations, skills, experiences, ages, genders, ethnicities, and geographic areas.
- **Member Representation:** Prefer at least one:
 - Homeowner.
 - Renter.
 - Owner, operator, or employee of a small business in SeaTac
 - Representative of the construction community: builder, architects, engineers, urban planners, designers, etc.
- **Residency:** Require residency for 1 year prior to appointment to Commission,
 - One member can be a non-resident, provided they own, operate, or are employed by a small business in SeaTac.
- **Implementation:** Allow current members to finish out terms, then evaluate all new/reappointment applications against new membership criteria.

REVIEW PROPOSED CODE



PLANNING COMMISSION SCOPE OF WORK APPROACH

APPROACH:

- Include in the scope of work the following items that are not currently specifically identified:
 - Housing affordability, demand, preservation, sustainability, and renter and owner issues.
 - Access to transportation and public spaces.
 - Public health and safety, which include inspections and code compliance.
 - Other GMA required topics.
- Clarify that the Planning Commission reviews amendments to all “Development Regulations” as defined in the Growth Management Act.

REVIEW PROPOSED CODE



POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED

- Review the proposed changes to the Planning Commission membership terms and scope of work and either:
 1. Provide staff additional direction for amendments.
 2. Recommend approval these amendments, as amended if desired, and refer to the A&F Committee for final review prior to a Regular Council Meeting.

REVIEWS TO DATE

- RCM: 2/8/2022
- PED: 3/24/2022
- PED: 5/26/2022
- PED: 7/28/2022 (Today)





MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: July 28, 2022
To: Planning & Economic Development (PED) Committee
From: Evan Maxim, Community & Economic Development Director
Subject: Feasibility Study: Multifamily Rental Housing Inspection Program

Summary

In 2010, the Washington State Legislature authorized cities to require regular inspections of rental housing to ensure that the housing will not endanger or impair the safety of a tenant. Several cities have adopted a rental housing inspection program, including Kent, Tukwila, Burien, and Seattle. SeaTac could establish a similar program, but before doing so, CED staff is recommending that the City conduct a feasibility study to evaluate the benefits, unintended negative effects, and the cost associated with such a program.

Background

In advance of the City Council's review of the 2023-2024 Biennial Budget, CED staff have been evaluating possible housing programs to address housing concerns in the City of SeaTac. One possible program that has been identified in the past is a multifamily rental housing inspection program. As noted above, such programs were adopted by several cities in King County; most programs have been in place for four or more years.

Program

Multifamily rental housing inspection programs are intended to ensure that basic standards of a safe living situation are met. A public or a private qualified inspector evaluates whether rental units meet basic property maintenance standards such as leaking sewage pipes, unsafe electrical systems, and dangerous structural conditions. Inspections are typically required for older (4+ years) rental housing units approximately every three to five years. The City monitors the inspection program to ensure inspections are regularly conducted and requires corrective maintenance where needed.

Currently, SeaTac uses a "reactive" approach and only engages in inspections for unsafe living conditions when a possible problem is reported to the City. Some tenants may be uncomfortable contacting the City to report issues or may be unaware of current building code requirements. This program would essentially shift SeaTac to a "proactive" approach to ensure compliance with minimum building code requirements for a safe living condition.

The community that is intended to benefit most from this kind of program are tenants in multifamily rental housing, who might otherwise be living in an unsafe situation.

Feasibility Study

Approximately 50% of the housing in SeaTac is rental. Within King County, SeaTac has a high proportion of housing that is affordable to low- and moderate-income families. Forecast population growth in the region will continue to increase the demand for housing, which will increase the risk of displacement of low- and moderate-income families in SeaTac as residential prices increase (rent and home sale). As residential prices increase, re-development is more likely to occur; this process is typically referred to as gentrification.

A multifamily rental housing inspection program could increase the rate at which rental housing affordable to low- and moderate-income families is replaced with new, generally less affordable housing. In some cases, it may be a better financial decision for a landlord to extensively renovate, or even replace, a multifamily building to ensure compliance with the multifamily rental housing inspection program; rental rates may rise to offset the cost of renovation or re-building. If this were to happen, the community intended to benefit from the program would be harmed by the unintended acceleration of the gentrification process.

Most programs require that some, or all, of the cost of inspections is paid by the landlord of the multifamily rental building. This cost, and the associated administrative burden, could make it less desirable for some landlords to operate in SeaTac. In some cases, landlords may choose to sell their properties, which may lead to large rental property management groups operating in SeaTac. Large rental property management groups have a reputation for being less concerned with tenants' rights. The sale of existing rental properties may also increase the risk of re-development and gentrification.

If approved, the feasibility study would focus on three aspects of the multifamily rental housing inspection program:

- The anticipated cost for the City of SeaTac to administer the program.
- Evaluating the evidence of improved safe living conditions for tenants in cities that have had a program in place for several years.
- Evaluating whether there are any measurable unintended negative consequences, such as gentrification, that may result from a program.

Once completed, the feasibility study would serve as the basis for a recommendation to either establish a multifamily rental housing inspection program.

PED Committee Direction

Staff are seeking:

1. The PED Committee's recommendation that CED staff prepare a budgetary decision card to fund a feasibility study of a possible SeaTac multifamily rental housing inspection program; OR,
2. The PED Committee's direction to take no action to prepare a decision card.

If the PED committee recommends option "1," staff will prepare a decision card for the City Council to evaluate as part of the 2023-2024 biennium budget process.

Packet Materials:

- a. This memo
- b. PowerPoint

FEASIBILITY STUDY: MULTIFAMILY RENTAL HOUSING INSPECTIN PROGRAM

July 28, 2022



PRESENTATION OVERVIEW

PURPOSE OF PRESENTATION

Seek PED Committee guidance on whether to prepare a budget decision card to fund a feasibility study on a multifamily rental housing inspection program

WHY IS THIS ISSUE IMPORTANT?

1. Multifamily rental housing inspection programs are intended to ensure safe living conditions for tenants.
2. Multifamily rental housing inspection programs may have unintended negative effects, such as accelerating gentrification.
3. Several nearby cities (Kent, Tukwila, Burien, Seattle) have programs, which could provide information.

POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED – Staff are seeking:

- The PED Committee’s recommendation that CED staff prepare a budgetary decision card to fund a feasibility study of a possible SeaTac multifamily rental housing inspection program; OR,
- The PED Committee’s direction to take no action to prepare a decision card.

If the PED committee recommends preparation of a decision card, it will be included in the forthcoming budget materials for the 2023-2024 biennium.

STAFF RECOMMENDATION Conduct a feasibility study in advance of establishing a program.

REVIEWS TO DATE

- None



BACKGROUND

Multifamily Rental Housing Inspection Programs

- Intended to ensure basic standards for a safe living environment are met
 - Several jurisdictions in King County have adopted a program (Kent, Tukwila, Burien, Seattle)
- Multifamily rental housing are inspected regularly:
 - Public or private qualified inspector
 - Confirming basic living standards are met (e.g. sewage pipes, electrical, structural safety)
 - City monitors inspections and requires corrective maintenance
- Program would result in a shift to a proactive approach to confirm compliance with minimum building code requirements
 - Currently, SeaTac uses a “reactive” approach, investigating complaints and requiring maintenance when necessary



BACKGROUND

Feasibility Study

- Program is intended to benefit SeaTac rental tenants by ensuring minimum safe living conditions
 - The improvement of safe living conditions should be verified
- The benefit / risks to SeaTac rental tenants should be evaluated prior to establishing a SeaTac program
 - Approximately 50% of SeaTac's housing is rental and compared to region, SeaTac has a high proportion of housing affordable to low- and moderate-income families
 - Families in affordable housing are at increased risk of displacement
- The impact to SeaTac rental landlords should also be evaluated prior to establishing a SeaTac program
 - Inspection costs and administrative requirement may result in fewer small landlords



POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED – Staff are seeking:

- The PED Committee’s recommendation that CED staff prepare a budgetary decision card to fund a feasibility study of a possible SeaTac multifamily rental housing inspection program; OR,
- The PED Committee’s direction to take no action to prepare a decision card.

If the PED committee recommends preparation of a decision card, it will be included in the forthcoming budget materials for the 2023-2024 biennium.

STAFF RECOMMENDATION None.

REVIEWS TO DATE

- None

