



Planning and Economic Development Committee Agenda SPECIAL MEETING

January 26, 2023
4:00 pm–5:30 pm
Hybrid Meeting

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://seatacwa.gov/seatvlive> and click the “live” channel 1 grey box.

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 (5 min)
3	Minutes of 11/29/2022 regular meeting	Review and approve	Committee	4:05 (2 min)
4	Planning Commission Recommendation: Work Release Facility Code Amendment	Review and recommendation	Jenn Kester / Alena Tuttle	4:07 (30 min)
5	Mercy Housing Development Agreement	Review and	Jenn Kester /	4:37

		recommendation	Alena Tuttle	(20 min)
6	Renter's Protection Ordinance (Mayor's Motion)	Review and direction	Evan Maxim	4:57 (28 min)
7	Department Report Out	Informational	Evan Maxim	5:25 (5 min)
8	Adjourn		Chair	5:30



SPECIAL Planning & Economic Development Committee Minutes

Thursday November 29, 2022
4:00 PM – 5:30 PM
* Hybrid Meeting *

Members: Present: Commenced: 4:00 PM
Adjourned: 5:45 PM

Mohamed Egal, Chair	X
Jake Simpson, Mayor	X
Peter Kwon, Councilmember	X

Other Councilmembers:

Staff & Presenters: Evan Maxim, *CED Director*; Gwen Voepel, *Deputy City Manager*; Aleksandr Yeremeyev, *Economic Development Manager*; Jenn Kester, *Planning Manager*; Alena Tuttle, *Associate Planner*; Barb Mailo, *Admin 3*; Cindy Corsilles, *Senior Assistant City Attorney*; Mark Everton, *CEO Seattle Southside*; David Holder, *Clarity of Place*

1. Call to Order	Chair Egal called the meeting to order at 4:00 pm.
2. Public Comments	Written public comments: Alex Fay, Guillermo Mogollan, Kraig Peck, Stacey Valenzuela Public oral comments: Devin Glaser, Motuma Debela, Sonsa Woldemariam, Taylor Farley (no show)
3. Minutes of October 27, 2022, PED regular meeting	Review and approve Councilmember Kwon motioned to approve minutes. Mayor Simpson second. Motion Passed: 3-0
Non-Agenda. Motion by Mayor Simpson	Mayor Simpson motioned for the CED staff and city attorney to create an ordinance for PED committee review and discussion no later than Jan. 19, 2023, containing the following elements: <ul style="list-style-type: none"> - 120 days' notice required for rent increases over 3% - 180 days' notice for rent increases over 10% - Move in fees capped at the equivalent of one month's rent, payable in installments - Late fees capped at \$10 - A social security number cannot be required to apply for rental homes - Renters on fixed income, such as social security, can adjust their rent due date

	<ul style="list-style-type: none"> - Just cause protections so that renters, regardless of lease type, are protected from eviction or lease termination without just cause. - No rent increases for uninhabitable units - Specific language outlining the definition of just cause, including protecting other tenants and property owners from dangerous, unhealthy, or otherwise destructive conditions caused by another tenant. <p>Chair Egal second the motion. Motion passed: 3-0</p> <p>Mayor Simpson noted that he will send details of the motion to the PED committee members.</p> <p>Discussion commenced with Mayor Simpson, Councilmember Kwon, Chair Egal, and Director Maxim.</p> <p>Director Maxim asked Mayor Simpson to send details of the motion to staff and indicated that CED staff would work with Legal to draft the ordinance. Director Maxim also reminded the committee that the next PED meeting falls on January 26, 2023. Councilmember Kwon motioned to amend the January 19, 2023, date to the date of the next January PED meeting. Mayor Simpson second. Motion passed: 3-0</p>
<p>4. Seattle Southside Regional Tourism Authority: 5-year Strategic Plan</p>	<p>Informational Briefing and discussion Introduction by Economic Development Manager Aleksandr Yeremeyev.</p> <p>Presented by Mark Everton with Seattle Southside and David Holder with Clarity of Place.</p> <p>Discussion commenced with Councilmember Kwon, David Holder, Mark Everton, and Chair Egal.</p>
<p>5. Planning Commission Recommendation: Work Release Facility Code Amendment</p>	<p>Review and direction Introduction by Planning Manager Jenn Kester and presented by Associate Planner Alena Tuttle.</p> <p>5:25 pm: As the scheduled meeting end time was approaching, Director Maxim requested an extension of 10 to 20 minutes by the committee to allow Ms. Tuttle to complete her presentation.</p> <p>Mayor Simpson motioned to extend the meeting by 10 to 20 minutes. Councilmember Kwon second. Motion passed: 3-0</p> <p>Discussion commenced with Councilmember Kwon, Ms. Tuttle, Mayor Simpson, and Chair Egal.</p>
<p>6. CRF22-09: Renters Evictions & Late Fees</p>	<p>Review and direction Chair Egal directed staff to not bring CRF 22-09 back to the PED committee until after review by the PED committee of the ordinance requested by Mayor Simpson.</p>
<p>7. Adjourn</p>	<p>Chair Egal adjourned the meeting at 5:45 pm.</p>



MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: 1/26/2023
To: Planning & Economic Development (PED) Committee
From: Alena Tuttle, Associate Planner
Subject: Code Amendments: “Halfway House”, “Work Release Facilities”, and similar uses.

Summary

This meeting is meant to provide the Planning & Economic Development Committee (PED) an overview of changes and proposed recommendations to the “Halfway House”, “Work Release Facilities”, and similar uses draft code language as presented to PED on November 29th, 2022. Staff is seeking a recommendation to move the item to Council.

Analysis

On November 29th, 2022, Staff provided PED an overview of code amendment proceedings and the proposed draft code language regulating Reentry Centers as recommended on November 1, 2022, by the Planning Commission. See the previous memo attached for a full summary. An ongoing point of discussion regarding Reentry Center facilities to undergo and obtain accreditation from a private third-party organization as a prerequisite to operating within the city and the actions the City will take if accreditation is withdrawn was not resolved. After further review, staff recommends not requiring accreditation; instead, an additional development regulation was added - see SMC15.415.400(E)(3)(b) in the attached draft code.

In making this staff recommendation and change, the following points were taken into consideration:

- 1) The Washington State Department of Corrections has operational authority of State correctional institutions (including Reentry Centers). Arguably such a requirement would invade the province of the State to operate its facilities as they deem appropriate.
- 2) The American Correctional Association that issues accreditation is a third party organization with no oversight agency and the City has no direct role in enforcing or providing input into accreditation requirements and process. In addition, staff was unable to obtain what the specific standards are and therefore cannot prove the benefit accreditation could have to the public.

Summary of Additional Amendments:

Other than the removal of accreditation language, no significant changes have been made to the substance of the regulations. Reorganization, minor deletions, phrasing, and grammar edits can be seen as track changes in the draft code attached.

PED Committee Direction

Staff requests that the PED committee recommend adoption of the proposed amendments (without accreditation language) by the City Council on the consent agenda at the City Council’s next meeting before the moratorium expires.

Alternative(s)

Remand back to Planning Commission to discuss performance standards, safety concerns, etc. If this is the PED direction, staff asks the PED to specify the deficiency in these performance standards that need to be resolved.

By taking such direction, the moratorium (Ordinance No. 21-1027) will expire (March 1, 2023) before an ordinance is adopted. In regard to the moratorium, the City Council has two options, 1) let the moratorium lapse, as there were no pending applications prior to moratorium adoption, nor is there apparent current interest by the DOC to site within the City or 2) adopt an additional six month extension to the moratorium.

Packet Materials

1. PED Draft Code Version I
2. PowerPoint
3. 11.29.22 PED Memo

SeaTac “Halfway House”, “Work Release Facilities”, and similar uses Code Amendments

Purpose of Project: Amendments to the SeaTac Zoning Code pertaining to the halfway house (hereon referred to as Reentry Center) use established in 1999, substantially updating standards and regulations to ensure compatibility with the community and consistency with the Comprehensive Plan in response to Ordinance No. 21-1027.

Approach to Project:

- Reentry Centers will be permitted in Community Business (CB), Community Business in the Urban Center (CB-C), Regional Business Mix (RBX), and Industrial (I) zones as a conditional use. The Reentry Center use is prohibited within the City Center, South 154th Street Station Area, and Angle Lake Station Area Overlay Districts.
- The siting of a Reentry Center will be processed as a Major Conditional Use Permit, not through the Essential Public Facilities process.
- Development and performance standards are established through a new Reentry Center Section within Chapter 15.415 Commercial Standards and Regulations.

Proposed Code Amendments: The following numerical items are proposed amendments to Title 15 ZONING CODE of the SeaTac Municipal Code.

Underlined text indicates an addition.

~~Strikethrough~~ text indicates a removal.

*** indicates additional text within the Code Section is omitted, as it doesn’t pertain to the amendment.

Red text indicates changes since the November 1, 2022, Planning Commission recommended draft code version.

1. Remove the following definition in Section 15.105.080, “H” Definitions:

Halfway House

~~State-licensed work/release facilities and other housing facilities serving as an alternative to incarceration.~~

2. Add the following new definition to Section 15.105.180, “R” Definitions:

Reentry Center

A residential facility or institution operated under contract with the Department of Corrections, and/or owned by the state or ~~any other unit of a government agency,~~ used for incarcerated individuals to ~~complete the~~serve their remainder of a court imposed sentence for a period not to exceed ~~of~~ twelve months ~~or less~~ in partial confinement. ~~Alternatively-Also~~ referred to as “Work Release” in accordance with ~~per~~ RCW 72.65. This definition excludes at-home electronic surveillance.

3. All references to “Halfway House” in Title 15 shall be changed to the term “Reentry Center”.

4. Essential Public Facilities: Amend the Essential Public Facilities Section 15.115.040 SMC to clarify the applicability of the Section to the Reentry Center use.

15.115.040 Essential Public Facilities

B. Included Essential Public Facilities. EPFs subject to this section include, but are not limited to, those facilities identified in the EPF definition (SMC 15.105.050), the Seattle-Tacoma International Airport, Interstate 5, State Route 509 (both current and proposed extensions), State Route 518, the Federal Detention Center, the King County Bow Lake Solid Waste Transfer Station, and the Sound Transit’s “LINK” Light Rail System. Reentry Centers are not subject to the CUP-EPF review procedure and are permitted as a Major Conditional Use, subject to the criteria in SMC 15.115.020(D), Conditional Use Permit (CUP).

5. General Land Use Chart: The general land use chart in SMC 15.205.040 is amended, removing “C” from the O/CM column (Office/Commercial Medium) and adding “C” to the “I” (Industrial) column. The Reentry Center land use shall be labeled as “C” (Conditional Use Permit required) in the following zones: CB, CB-C, RBX, and I.

Additional Standards column to be amended as follows:

~~As part of the CUP process a determination will be made as to whether an essential public facility (EPF) siting process is needed. See SMC 15.115.040, Essential Public Facilities. These requirements shall not be construed to limit the appropriate use of schools and other facilities for emergency shelters in disaster situations.~~

Permitted as a Major Conditional Use, subject to the criteria in 15.115.020(D), Conditional Use Permit (CUP).

LAND USE	UL	UM	UH	UH-UCR	T	MHP	NB	O/C/MU	O/CM	CB	CB-C	RBX	I	P	ADDITIONAL STANDARDS
Halfway House Reentry Center									C	C	C	C	C		<p>As part of the CUP process a determination will be made as to whether an essential public facility (EPF) siting process is needed. See SMC 15.115.040, Essential Public Facilities. These requirements shall not be construed to limit the appropriate use of schools and other facilities for emergency shelters in disaster situations.</p> <p><u>Permitted as a Major Conditional Use, subject to the criteria in 15.115.020(D), Conditional Use Permit (CUP).</u></p>

6. City Center Overlay District: The City Center Overlay District land use chart in SMC 15.300.055 is amended to add Reentry Center under Health and Human Services land use. The use is prohibited, and columns should remain blank.

7. South 154th Street Station Area Overlay District: The South 154th Street Station Area Overlay District land use chart in SMC 15.305.055 is amended to remove Halfway House and replace with Reentry Center under Health and Human Services land use. The use is prohibited, and columns should remain blank.

8. Angle Lake Station Area Overlay District: The Angle Lake Station Area Overlay District land use chart in SMC 15.310.055 is amended to remove Halfway House and replace with Reentry Center under Health and Human Services land use. The use is prohibited, and columns should remain blank.

9. Commercial Standards and Regulations: Amend Purpose, Authority and Application Sections of the Commercial Standards and Regulations Chapter 15.415 to include Reentry Centers.

15.415.005 Purpose

The purpose of this chapter is to delineate regulations that apply to the following commercial uses: fueling/service stations, sexually oriented businesses, ~~and~~ mobile food vending and Reentry Centers.

15.415.010 Authority and Application

The provisions of this chapter shall apply to all fueling/service stations, sexually oriented businesses, ~~and~~ mobile food vending uses and Reentry Centers, regardless of where located.

10. Commercial Standards and Regulations: Add a new Section to Commercial Standards and Regulations Chapter 15.415 regarding Reentry Center Standards.

15.415.400 Reentry Center Standards

A. Purpose ~~and Applicability.~~

~~1.~~ The purpose of this section is to establish reasonable standards ~~upon for the~~ siting of a Reentry Center to minimize impacts and ensure neighborhood compatibility within the City of SeaTac, while protecting the public health, safety, welfare and peace of both facility residents and the broader community. ~~This Section does not include regulations for federal, state and/or local correction facilities, or other uses as regulated by SMC 15.115.040 Essential Public Facilities.~~

B. Applicability

This Section is applicable to Reentry Centers and does not include regulations for federal, state and/or local correction facilities, or other uses as regulated by SMC 15.115.040 Essential Public Facilities. Specific needs of each Reentry Center facility will be reviewed through the conditional use permit process in SMC 15.115.020.

BC. Siting.

1. Buffer.

- a. A Reentry Center shall not be located closer than one thousand seven hundred fifty (1,750) feet ~~to from the property of~~ any elementary-middle school, high school, park, or community center (including teen centers and YMCA) within or outside of City limits.
- b. For the purposes of this subsection, distance shall be measured in a straight line from the closest property line upon which the proposed Reentry Center is to be located, to the closest property line from which the proposed Reentry Center is to be separated.

2. Dispersion.

- a. A new or expanding Reentry Center shall not be located closer than one-half (1/2) mile from the closest property line of any other Reentry Center.

3. Siting Process Requirements.

- a. Following identification of a site under consideration within the City of SeaTac, written notification of site selection ~~in writing~~ shall be provided directly to the City Manager and Community and Economic Development Director.

- b. Prior to scheduling the mandatory pre-application meeting with the City, the Applicant shall hold a minimum of one public meeting within the City limits to inform the neighborhood and solicit public comment.
- i. Public meeting(s) shall occur between the hours of 5pm-9pm on weekdays, or anytime on a weekend.
 - ii. Public meeting(s) subject to this section shall occur within the corporate city limits of SeaTac.
 - iii. At least fourteen (14) days prior to the public meeting, ~~public-written~~ notification of the public meeting shall be provided ~~in writing and sent~~ to all parcels and associated addresses, including residents, owners, and tenants within a one-half (1/2) mile radius of the proposed site(s). The written notification shall also be published in the City's officially designated newspaper and be provided to the ~~City Manager and~~ Community and Economic Development Director.
 - iv. The Applicant shall provide a public meeting agenda, which shall include, at a minimum, a description of the proposed project description, site location, timeline, and proposed site and building layout. The neighborhood meeting should provide a time for verbal public comments from attendees and provide contact information for the Applicant for written comments.
- c. All public notifications shall include:
- i. Date, time and location of the meeting;
 - ii. A description of the proposed project;
 - iii. A description of the site, including current zoning classification, site address/parcel number, and vicinity map reasonably sufficient to inform the reader of the general location;
 - iv. The name, address and telephone number of the applicant and/or agent;
 - v. A statement that persons may appear at the meeting and provide public comment and/or may provide written comment to the applicant and/or agent listed.
- d. Copies of the mailing list, agenda, attendance sign-in sheet, minutes, written comments received, presentation materials, handouts and documents shall be included in the mandatory pre-application meeting submittal.
- e. In addition to compliance with local siting and development requirements, the Department of Corrections ("DOC"), its agents, or any private or public entity under contract with the DOC shall provide verifiable proof of compliance with the siting requirements and site selection process as required under RCW 72.65.220 and WAC 137-57-050 including a copy of the Local Advisory Committee recommendation to the Secretary and Secretary preliminary approval (if applicable) at time of conditional use permit application.

ED. Development Standards.

1. Occupancy.

- a. A Reentry Center shall house no more than thirty (30) persons, excluding resident staff.

2. Appearance.

- a. The Reentry Center shall match the bulk and scale of the uses allowed in the zone where the Reentry Center is located. The design, construction, appearance, physical integrity, and

maintenance of the Reentry Center shall provide an environment that is attractive, sustainable, functional, appropriate for the surrounding community, and conducive to residents' stability. Building entries shall be prominent and highly visible from other buildings and public areas.

b. Exterior lighting to be located as to minimize spillover light on surrounding properties while maintaining appropriate intensity and hours of use to ensure that security is maintained.

3. Street Frontage.

a. The Reentry Center shall not be located on a property that has street frontage on a principal or minor arterial road.

4. Open Space.

a. **Minimum Area Required.** A minimum of 120 square feet of open space shall be provided per person, allocated by type as follows:

Outdoor Common Space	Minimum 50%
Outdoor Single-Purpose Space	Up to 50%
Indoor Common Space	Up to 50%

b. General Location and Design Requirements.

i. To the extent possible, all open space shall be centrally located, accessible and usable to residents while maintaining a high level of visibility from the structure.

ii. Open space shall not be located adjacent to dumpster enclosures, loading/service areas or other incompatible uses.

~~iii. No required open space shall have a slope greater than four percent (4%) unless the area has been developed with an enhanced accessibility system.~~

~~iv-iii.~~ Vehicular use areas, critical areas and associated buffers, setbacks, and landscaping shall not count towards open space requirements.

c. **Outdoor Common Space.** Outdoor common space shall be usable outdoor multi-purpose space accessible by all residents, including but not limited to: courtyards, plazas and multi-purpose green spaces, ~~and upper level common decks or terraces.~~

i. **Design Features.** Courtyard/plaza areas shall include:

a. Minimum width of twenty (20) feet and a minimum depth of fifteen (15) feet.

b. A minimum of one (1) tree for each two hundred (200) square feet of required area.

c. Include one (1) lineal foot of seating per each forty (40) square feet of required area.

d. **Outdoor Single-Purpose Space.** Outdoor single-purpose facilities shall be usable and accessible by all residents, including but not limited to: swimming pools, tennis and sport courts.

e. **Indoor Common Space.** Indoor common space shall be usable and accessible by all residents, designed to accommodate a wide range of users, which include but are not limited including but

not limited to: amenities and/or equipment for recreational uses such as, lounge rooms, game rooms and exercise rooms. Lobbies and hallways do not count as indoor common space.

~~DE~~. Performance Standards.

1. Operations.

a. A security plan containing, but not limited to the following, shall be provided at time of conditional use permit application:

- i. Staffing, scheduling and level of responsibilities;
- ii. Onsite and off-site security and surveillance measures;
- iii. Policy and procedure for locating a missing Reentry Center participant.

~~b. An attestation and supporting documenting from Department of Corrections (DOC) and/or managing agency that the proposed Reentry Center has earned accreditation or is undergoing the accreditation process from the American Correctional Association shall be provided at the time of conditional use permit application.~~

2. Site and Transit.

a. A written description of transit, pedestrian, and bicycle access plan from the subject site to services shall be ~~provided-submitted~~ at time of conditional use permit application.

3. Compliance with Additional Regulations General.

a. In addition to the Zoning Code under SMC Title 15, Reentry Centers shall comply with the provisions of the Building and Construction Code under SMC Title 13 and are subject to the provisions of crime prevention through environmental design (CPTED) under SMC Title 17.

b. Reentry Centers shall abide by all federal and state laws and regulations, as well as Department of Corrections policies.

~~b. Exterior lighting to be located as to minimize spillover light on surrounding properties while maintaining appropriate intensity and hours of use to ensure that security is maintained.~~

~~c. Specific needs of each facility will be reviewed through the conditional use permit process in SMC 15.115.020.~~

Reentry Center Proposed Code Amendments

Planning & Economic
Development
Committee

January 26, 2023



POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED

Staff is seeking a recommendation to move the item to Council.

REVIEWS TO DATE

- RCM: 8/31/2021 Moratorium
- PED: 3/24/2022
- PC: 4/05/2022
- PC: 5/03/2022
- PC: 5/17/2022
- PED: 5/26/2022 Moratorium extension recommendation
- PC: 6/21/2022
- RCM: 6/28/2022 Moratorium extension approved
- PC: 7/19/2022
- PC: 8/16/2022
- PC: 10/04/2022 Public Hearing
- PC: 11/01/2022 Recommendation
- PED: 11/29/2022



PURPOSE OF PRESENTATION

- Staff to provide an overview of changes and proposed recommendations to the code amendment.
- Review revised draft code language.
- Discuss.
- Ask for recommendation to Council.

WHY IS THIS ISSUE IMPORTANT?

1. In August 2021, the City Council adopted a 1-year moratorium on the permanent establishment of “Halfway House”, “Work Release Facilities”, and similar uses.
2. The City Council found that review of the “Halfway House” development regulations adopted in 1999 is necessary.
3. The moratorium was granted a 6-month extension and now expires on March 1st, 2023.
4. Any code amendments ideally need to be passed before moratorium expiration.
5. These proposed development regulation amendments, if approved, will be applicable to any future application(s).

STAFF ANALYSIS & LEGAL REVIEW OF ACCREDITATION

After further review, staff recommends not requiring accreditation due to the following...

1. The Washington State Department of Corrections has operational authority of State correctional institutions.
2. The American Correctional Association is a third-party organization.
 - Not an oversight agency.
 - The City has no direct role in enforcing or providing input into accreditation requirements and process.
 - Unable to obtain the specific standards.
 - Cannot prove the benefit of accreditation.



STAFF ANALYSIS & LEGAL REVIEW OF ACCREDITATION

Instead, an additional development regulation was added:

SMC15.415.400(E)(3)(b)

“Reentry Centers shall abide by all federal and state laws and regulations, as well as Department of Corrections policies.”



SUMMARY OF ADDITIONAL AMENDMENTS

Other than the removal of accreditation language, no significant changes have been made to the substance of the regulations.

- Reorganization
- Minor deletions
- Phrasing
- Grammar edits



POTENTIAL COMMITTEE ACTION

ACTION REQUESTED

Staff requests that the PED committee recommend adoption of the proposed amendments (without accreditation language) by the City Council on the consent agenda at the City Council's next meeting before the moratorium expires.

NEXT STEPS

City Council meeting and adoption of ordinance.

FUTURE REVIEWS

City Council meeting 2/28 prior to moratorium expiration in March.





MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: November 29, 2022
To: Planning & Economic Development Committee (PED)
From: Alena Tuttle, Associate Planner
Subject: Code Amendments: “Halfway House”, “Work Release Facilities”, and similar uses.

Purpose:

This meeting is meant to provide the Planning & Economic Development Committee (PED) an overview of the “Halfway House”, “Work Release Facilities”, and similar uses code amendment that was first presented to PED on March 24, 2022 and forwarded to the Planning Commission for their review and recommendation.

Furthermore, staff will brief PED on the Planning Commission’s proposed draft code language regulating Reentry Centers recommended on November 1, 2022.

The purpose of this meeting is to inform and discuss; no action by PED is being requested at this time. Staff will be seeking a recommendation to move the item to Council at the next PED meeting.

Background:

The City is proposing amendments to the SeaTac Zoning Code pertaining to the halfway house use (herein referred to as Reentry Center) established in 1999, substantially updating standards and regulations to ensure compatibility with the community and consistency with the Comprehensive Plan in response to Ord. No. 21-1027.

On August 31, 2021, the City Council adopted a moratorium (Ordinance No. 21-1027) prohibiting the establishment, location, operation, and licensing of a permanent “Halfway House”, “Work Release Facility” or similar uses and incorporating a work plan for further study. The City Council found that it is necessary to review development regulations to determine whether the regulations adopted in 1999 continue to serve the present need of the community, are still compatible with adjacent land uses, and are consistent with the City of SeaTac Comprehensive Plan.

The moratorium was set to expire on August 31, 2022. As the SeaTac Planning Commission required additional time to complete their review of information relevant to the preparation of proposed development regulation amendments, City Council passed an additional six month extension to the moratorium, now set to expire on March 1, 2023, unless extended or repealed according to law.

There are no work release facilities established in SeaTac and no applications for a permanent work release facility were received and vested to the regulations in effect prior to the passage of the moratorium. These proposed development regulation amendments, if approved, will be applicable to any future application(s).

Summary of Key Research:

To help aid in a comprehensive understanding of the topic, the following bullet points contain information as previously presented to Planning Commission throughout the year that are most relevant.

- A Reentry Center is a facility or institution operated under contract with the Department of Corrections, and/or owned by the state or any other unit of government, for incarcerated individuals to complete their sentence of twelve months or less in partial confinement.
- These facilities serve as a bridge between living in prison and living in the community, assisting in creating a safe and productive lifestyle that can be sustained upon release. Focus areas include: finding and retaining employment, educational attainment, treatment/counseling, re-connecting with family members and refining various social and living skills.
- Participants in this program are authorized under the authority of a community corrections officer to leave and return to the Reentry Center for specific authorized reasons pertaining to the focus areas listed above. It is also common for families and children to visit program participants at these centers.
- Participants are monitored to ensure compliance and failure to abide by the rules - depending on the severity, may result in, revoking leave privileges, termination from the program, or a warrant for the individual's arrest and full confinement (prison).
- Individuals participating in the Reentry Center program on average have been incarcerated for five years or less.
- Once Individuals have reached their release date, they are released to their County of origin, where their first conviction took place (not necessarily the crime they are currently serving time for). This means that all individuals within a potential Reentry Center in SeaTac will not then be all released into the City of SeaTac.
- Within Washington State, there are currently twelve work release facilities that collectively house 782 individuals: the smallest capacity facility totaling 26, the largest at 101. These sites have been established over a decade ago. In April of 2022, a 120-bed Reentry Center in Wenatchee was approved; the newest and largest facility yet.
- The Washington State Department of Corrections prefers leasing privately owned property and then operating the Reentry Center with State employees. Due to this, potential siting is likely going to be within a pre-existing building. Furthermore, based upon potential sites the DOC has previously identified through their process, high occupancy potential (number of beds) is a considerable factor.
- A Reentry Center is considered an Essential Public Facility, and per State law, the City cannot prohibit or impose unreasonable restrictions on the use.
- Currently, there are no provisions in the zoning code that establish specific standards and/or development regulations for the Reentry Center use.

- The SeaTac Municipal Code (SMC) currently permits the “Halfway House” use within the following zoning designations subject to a conditional use permit (CUP). As part of the CUP process, a determination will be made as to whether an Essential Public Facility (EPF) siting process is needed:
 - Office/Commercial (O/CM)
 - Community Business (CB)
 - Community Business in the Urban Center (CB-C)
 - Regional Business Mix (RBX)
- The use is currently not permitted in City Center, South 154th Street Station Area or Angle Lake Station Area Overlay Districts.

Planning Commission Review/Public Hearing:

The Planning Commission reviewed this topic at its April 5, May 3, May 17, June 21, July 19, August 16, October 4th (public hearing) and November 1st, 2022 meetings.

As part of the Commission review of potential regulations for Reentry Centers, the Commission considered some of the following questions:

1. What land uses should be buffered from a Reentry Center?
 - a. Approach: Consider the vulnerable population of SeaTac and the potential safety and security risks individuals in a Reentry Center may pose to them. Apply a distance buffer from certain land uses similar to what was adopted as part of recent code amendment related to supportive housing.
2. How to ensure the Department of Corrections (DOC) is following proper protocol and being transparent during site selection?
 - a. Approach: Early and continuous public notification and participation with the SeaTac community and staff by way of mandatory public meeting(s) subject to specific notification, agenda, and public comment requirements; in addition to DOC documenting compliance with the siting requirements and site selection process as required under RCW72.65.220 and WAC 137-57-050.
3. How to reduce social equity impacts due to Essential Public Facility concentration in and around SeaTac?
 - a. Approach: Add a maximum occupancy and limit facility concentration by applying a dispersion distance.
4. How to increase compatibility with the surrounding community?
 - a. Approach: Blend the use into the zone where it is located by way of general appearance standards that are safe, functional, and appropriate for the surrounding community. Consider future growth targets, housing policies and potential for multi-family development in proposed zones. Verify potential sites have reasonable access to transit services as necessary to reach employment and other services.
5. How to compensate for individuals in Reentry Centers only being allowed short periods of time outside of the facility?

- a. Approach: Require a minimum of 120 square feet of open space provided per person allocated as outdoor and/or indoor type space.
6. Is the Essential Public Facilities process the most appropriate review process for siting a Reentry Center?
- a. Approach: Procedurally review the proposed project through a neutral party, such as staff, compared to a potentially biased Ad Hoc Committee. Ensure that a professional in land use law (Hearing Examiner) reviews the proposed development, confirms it satisfies all the criteria for approval and is granted permit approval under the appropriate conditions.

Summary of Amendments:

The following amendments related to the Reentry Center use, as detailed in attachment A, are recommended by the Planning Commission:

- A. The “Halfway House” use and definition will be removed from the zoning code. New use and definition for “Reentry Center” will be added to the zoning code. All references to “Halfway House” in Title 15 shall be changed to the term “Reentry Center”. *(See items 1, 2, 3 and 5 in attachment A)*
- B. Reentry Centers will be permitted in Community Business (CB), Community Business in the Urban Center (CB-C), Regional Business Mix (RBX), and Industrial (I) zones as a conditional use (C). The Reentry Center use is prohibited within the City Center, South 154th Street Station Area, and Angle Lake Station Area Overlay Districts. The general land use chart in SMC 15.205.040 will be amended, removing “C” from the O/CM column (Office/Commercial Medium) and adding “C” to the “I” (Industrial) column. *(See items 5, 6, 7, and 8 in attachment A)*
- C. The siting of a Reentry Center will be processed as a Major Conditional Use Permit, not through the Essential Public Facilities process. The Essential Public Facilities Section 15.115.040 SMC will be amended to clarify the applicability of the Section to the Reentry Center use. *(See items 4 and 5 in attachment A)*
- D. Requirements for off street parking will be regulated per Chapter 15.455 and determined based upon a required parking and circulation plan submitted by the applicant and approved by staff.
- E. Setbacks, lot coverage, structure height and other development standards already established for “Halfway Houses” according to zone per Chapter 15.400 Dimensional Standards and Regulations are not proposed to be amended.
- F. Landscaping standards already established for “Halfway Houses” in SMC 15.445.210 Landscaping Standards Chart, are not proposed to be amended.
- G. Siting, development, and performance standards will be established through a new Reentry Center Section within Chapter 15.415 Commercial Standards and Regulations. *(See items 9, and 10 in attachment A)*

Highlights include:

- A Reentry Center shall not be located closer than one thousand seven hundred fifty (1,750) feet to any elementary-middle school, high school, park, or community center (including teen centers and YMCA) within or outside of City limits.
- A new or expanding Reentry Center shall not be located closer than one-half (1/2) mile from the closest property line of any other Reentry Center.
- Prior to scheduling the mandatory pre-application meeting with the City, the Applicant shall hold a minimum of one public meeting within the City limits to inform the neighborhood and solicit public comment.
- A Reentry Center shall house no more than thirty (30) persons, excluding resident staff.
- A minimum of 120 square feet of open space shall be provided per person.

Planning Commission Recommendation:

After the public hearing on October 4, 2022, in an effort to simplify, maintain consistency, and ensure community safety, the Planning Commission wanted to consider including all park parcels within the 1,750 foot buffer rather than only parks with “active recreation” as was originally proposed in the draft code

There are a total of 14 designated parks within SeaTac city limits. By adding the remaining 6 parks into the 1,750 foot buffer, there is a reduction of 26 parcels that become ineligible for Reentry Center siting. Taking into consideration all parks, schools, and community centers outside city limits but within 1,750 feet of the city boundary, an additional 64 parcels are removed. This would leave a total of 91 parcels within the city potentially eligible for siting a Reentry Center, based on current park and school locations.

At the November 1st Planning Commission meeting, Commissioner Merryweather made a motion to recommend approval of the proposed code language, amended to:

- A) Include all park types in the buffer provisions, and
- B) Recommend further consideration by the PED Committee of additional language regarding cessation of the operation of reentry facilities if:
 1. An occupant engaged in a serious crime; or,
 2. The facility otherwise loses its accreditation.

Staff Analysis & Legal Review:

The Planning Commission’s recommendation to include all park types in the buffer provisions has been incorporated into the draft code language.

The Planning Commission’s recommendation that the PED Committee consider requiring a Reentry Center to cease operations if accreditation was withdrawn and/or if any serious crime(s) were committed by an occupant of the Reentry Center, was based upon written and verbal public comment received regarding the following draft code language contained in 15.415.400 (D)(1)(b), which reads: *“An attestation and supporting documentation from Department of Corrections (DOC) and/or managing agency that the proposed Reentry Center has earned accreditation or is undergoing the accreditation process from the American Correctional Association shall be provided at the time of conditional use permit application.”*

Accreditation occurs after the building is completed and operational. The process leading to initial accreditation normally takes 12 to 18 months and, once complete, accreditation is granted for a period of three years.

Consequently, staff recommends that the language in 15.415.400 (D)(1)(b) read: *“An attestation and supporting documentation from the Department of Corrections (DOC) and/or managing agency that the proposed Reentry Center will obtain ~~has earned accreditation or is undergoing the accreditation process from the American Correctional Association~~ within 24 months of receiving a certificate of occupancy shall be provided at the time of conditional use permit application.”*

Based upon staff research into halting the operation of a Reentry Center following a serious crime by an occupant, it appears that assault, disturbance, homicide, and other similar crimes require immediate reporting to the American Correctional Association and may result in the revoking of accreditation. Consequently, staff does not recommend any further amendments to address this public comment.

There are a few challenges with requiring the closure of a Reentry Center if it loses its accreditation:

- 1) Accreditation is granted by a separate organization (American Correctional Association) and the City has no direct role in enforcing accreditation requirements by this organization; and,
- 2) Accreditation is not a requirement for Conditional Use Permit approval for other, similar types of uses (i.e., the federal prison); and,
- 3) If accreditation is required, the City will be required to initiate a code compliance process if the Reentry Center loses its accreditation.

Staff is seeking guidance from the PED committee regarding whether to explicitly require that the Reentry Center cease further operations if accreditation is lost. If the PED committee does desire this language, staff will prepare draft language for PED committee review at the next PED meeting.

Staff believes these proposed regulations comply with State Law, serve the present need of the community, are compatible with adjacent land uses, and are consistent with the City of SeaTac Comprehensive Plan. Legal and CED staff are completing a detailed review of the draft code and will be presenting a final version for PED consideration and recommendation at the next PED committee meeting in January 2023. Staff expects that there will be no additional significant changes to the substance of the regulations other than those discussed in this memo.

Regulatory Requirements:

A. SEPA Review

The City served as SEPA Lead Agency for this proposal and issued a Determination of Nonsignificance (DNS) on October 3, 2022. The comment period for the SEPA action expired on October 17, 2022 at 5pm. No public comments were received.

B. Washington State Department of Commerce Review

The City submitted a Request for 60-day Review with Notice of Intent to Adopt Amendments to Commerce on September 16, 2022. The notice period ended on November 15, 2022; no comments from Commerce were received.

C. Public Hearing Notice

Notice of this public hearing was published in the Seattle Times on September 20, 2022. The Planning Commission public hearing was held on October 4, 2022; a recommendation from the Planning Commission was not provided at this time.

Next Steps:

Staff will be presenting a final code version for consideration and will be seeking a recommendation to move the item to Council at the next PED meeting.

Attached Items:

- A. Draft Code recommended by Planning Commission
- B. CitywidePotentialReentryCenterLocations_Map
- C. VicinityMap_A
- D. VicinityMap_B
- E. VicinityMap_C
- F. VicinityMap_D
- G. PowerPoint Presentation



MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: 1/26/2023
To: Planning & Economic Development (PED) Committee
From: Alena Tuttle, Associate Planner
Subject: DEV22-0001 Mercy Angle Lake Family Housing Development Agreement

Summary

Mercy Housing Northwest is seeking to develop a residential mixed-use building containing 130 units of permanently affordable housing, 11,000 Sq. Ft. ground floor office space and a parking garage on 0.77 acres of property accessed via S 200th St and 26th Ave S (the triangular-shaped parcel adjacent to the Angle Lake Station Garage). While the use is permitted, a Development Agreement (DA) is necessary due to deviations requested by the applicant that cannot be approved administratively through the zoning code as a departure or variance. In return for the deviations, public benefits have been provided.

A Development Agreement sets forth development standards and other provisions that apply to, govern, and vest the development and use of the development of the property. The decision on a Development Agreement is made by the Council per SMC15.115.030(D). The City Council will first hold a public hearing and then may take final action, by resolution.

Analysis

The applicant requested the following five deviations from the zoning code.

1. Off street parking reduction and inclusion of compact stalls:
Zoning Code requirement - 133 residential stalls required after maximum reductions. Compact stalls not allowed.
Project proposal - Residential parking provided at a ratio of 0.60 stalls per unit for a total of 78 stalls, up to 30% provided as compact stalls.
Reason - Increases affordable housing unit count, while compact stalls add additional parking spaces.
2. Minimum front yard setback reduction:
Zoning Code requirement - 5 feet.
Project proposal - Reduce setback to 2 feet along 26th Ave S.
Reason - Provide more total floor area for parking and for the podium-level community terrace that serves as the code required outdoor recreation space.
3. Maximum front yard setback increase:
Zoning Code requirement - 10 feet.
Project proposal - Increase up to 20 feet along S 200th St for up to 65% of the building's front façade.
Reason - To accommodate public plaza area.
4. Maximum lot coverage increase:
Zoning Code requirement - 75% maximum.
Project proposal - Increase to 81%
Reason - For the reduced setbacks requested above to be utilized, the maximum lot coverage needs to be increased.
5. Landscaping reduction:
Zoning Code requirement - 5 feet building façade landscaping; 5 feet side yard landscaping.

Project proposal - Reduce building façade landscaping width to 2 feet wide along 26th Ave S. Eliminate requirement for 5 foot side yard landscaping at the shared access drive/easement along the east property line.

Reason - Ground floor commercial weather protection to extend over the sidewalk. Side yard landscaping not in a viable location.

The public benefits provided in return for the deviations are:

1. Affordable Housing.

Approximately 130 units, including 35 additional affordable units - 4 additional units for families earning less than 30% of the King County Area Median Income (“AMI”) and 31 additional units for families earning less than 60% AMI achieved by the DA. These affordable units will be reserved for low-income families for 99 years under the public and private financing covenants to be recorded on title.

2. Family-Sized Housing.

Out of the 130 units, approximately 52 are two and three bedroom units, including 9 additional two and three bedroom units achieved by the DA.

3. Housing Reserved for Persons with Disabilities.

Approximately 26 units reserved for persons with disabilities, including 7 additional units reserved for persons with disabilities achieved by the DA.

4. Commercial Space.

Mercy Housing will partner with The Arc of King County, which will locate their headquarters in the 11,000 square feet ground floor commercial space to provide onsite supportive services to persons with disabilities and their families living in this development.

5. Bicycle Plaza.

A public bicycle plaza along S 200th Street including bicycle storage, bicycle parking, an electronic screen with transit information, a neighborhood and transit map, and bench seating.

Additionally, Mercy Housing will offer a resident services program onsite that is optional and free of charge for all families and individuals living at this development. Scope of programming will focus on residents’ success in schools, health and wellness, financial and housing stability. This service is also open to members of the surrounding community.

Mercy Housing also commits to providing residents with a free Orca card for the first three years of the building operation to support residents’ access to transportation and services while the surrounding neighborhood area develops.

Staff recommends this Development Agreement.

PED Committee Direction

Staff requests that the PED committee recommend approval of this development agreement by the City Council on the consent agenda.

Alternative(s)

Council adoption of the DA is required before a Notice of Decision can be issued for the Preliminary Site Plan Review. If PED does not recommend approval, the Applicant will need to redesign the project in order to meet code standards for Preliminary Site Plan approval without a Development Agreement.

Packet Materials

1. Draft Development Agreement
2. Public Benefit Summary Table (excerpt from Applicant narrative)
3. Sound Transit Motion No. M2022-07
4. PowerPoint

When Recorded Return to:

City of SeaTac
Attn: City Clerk's Office
4800 S. 188th Street
SeaTac, WA 98188-8605

DEVELOPMENT AGREEMENT

Grantor(s):	<u>MHNW21 Angle Lake Family LLP</u>
Grantee(s):	<u>City of SeaTac, a municipal corporation of the State of Washington</u>
Legal Description (abbreviated):	<u>Lots A Angle Lake Station TOD</u> <input checked="" type="checkbox"/> Complete legal on <u>EXHIBIT A</u>
Assessor's Tax Parcel Identification No(s):	<u>0422049287</u>
Project Name/No:	<u>2650 200th Street South</u>
Project Parcel No.:	<u>0422049287</u>
Effective Date:	<u></u>
Parties:	<u>MHNW21 Angle Lake Family LLP, a Washington limited liability company</u> <u>City of SeaTac, a municipal corporation of the State of Washington</u>

**DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF SEATAC
AND MHNW21 ANGLE LAKE FAMILY LLP FOR THE
2650 200th STREET SOUTH PROJECT**

This DEVELOPMENT AGREEMENT between the CITY OF SEATAC and MHNW21 ANGLE LAKE FAMILY LLP (and/or its Successors/Assigns) for the 2650 200th Street South Project (this “Agreement”) is made and entered into this _____ day of _____, 2023, by and between the CITY OF SEATAC, a Washington municipal corporation, hereinafter the “City”, and MHNW21 Angle Lake Family LLP, a Washington limited liability company, hereinafter the “Developer”. The City and the Developer are collectively referred to as the “Parties”.

RECITALS

- A. The Developer was selected by Sound Transit to construct affordable transit-oriented-development (the “Project”).
- B. The Project is located on the parcel legally described as set forth in Exhibit A (the “Property”), which is located on the same block as the Angle Lake Light Rail Station (the “Station”).
- C. The City and the Developer wish to enter into this Development Agreement to govern the development of the Property.
- D. The Developer submitted an application for preliminary site plan review on 08/31/2022 (SeaTac Permit File #SPR22-003). The current version of that application includes a number of diagrams and calculations on sheets T1.1-T1.6 illustrating the proposed code modifications. A simplified black and white site plan is attached hereto as Exhibit B,
- E. The City has reviewed an environmental checklist and supporting documentation submitted by the Developer in order to determine the probable adverse environmental impacts of the Project, as required by the State Environmental Policy Act, RCW Chapter 43.21C (“SEPA”). The City made a threshold Determination of Nonsignificance (“DNS”) dated _____ which has not been appealed (SeaTac SEPA File #SEP22-006).
- F. Developer proposes to develop the Property as generally shown on the Site Plan (Exhibit B). The Project is currently designed to include approximately 11,000 square feet of street-level office space for The Arc of King County, a non-profit organization providing services to persons with intellectual and developmental disabilities, and approximately 130 units of permanently affordable housing for families earning less than 30%, 50% and 60% of the area median income. This proposal includes approximately 103 parking stalls with approximately 22 stalls for commercial office and approximately 78 stalls for the residential units. Additionally, the Developer anticipates the Project to include a 1,000 square foot plaza area with long-term commuter bicycle parking, which will provide an improved pedestrian connection between the Project and the Station.

G. Pursuant to RCW 36.708.170(a), the Parties are authorized to enter into a Development Agreement that sets forth development standards and other provisions that apply to, govern, and vest the development and use of the Property.

H. The Development Standards identified in Sections 5 and 6 of the Agreement are consistent with the City's Comprehensive Plan.

I. After a Public Hearing on _____, the City Council authorized the City Manager, on behalf of the City, to execute this Agreement with the Developer.

NOW THEREFORE, the Parties agree as follows:

1. **Purpose.** The general purpose of this Development Agreement is to:
 - 1.1. Define and describe the development plan for the Property.
 - 1.2. Provide for the zoning and development standards for the Property.
 - 1.3. Provide for the vesting of development rights.
2. **Agreement.** This Development Agreement governs and vests the development of the Property.
3. **Comprehensive Plan and Zoning of the Property.** The Property has the following Comprehensive Plan and Zoning designations: Regional Business Mix within the Angle Lake District Station Area.
4. **Development Plan.** The Project will be developed substantially in conformance with the Site Plan, as the same may be amended, in phases within discretion of the Developer.
5. **Vesting.** Except as provided otherwise in this Agreement, development of the Project shall be vested to and governed by City development regulations identified in Section 5 that are in effect as of the Effective Date of this Agreement, in addition to the development standards described in Section 6, any amendments to or additions made during the term of this Agreement to City development regulations shall not apply to or affect the conditions of development of the Project.
 - 5.1. **City Development Regulations.** For the Project, Developer shall vest to Titles 14, 15, 16A, and 17 of the SeaTac Municipal Code.
 - 5.2. **Exemptions.** The following are exempt from vesting under this Agreement:
 - (a) Plan review, fees, inspection fees, and connection charges and the method of calculation of the amount of impact fees established by schedules, charts or tables;
 - (b) Stormwater and utility connection charges, general facility charges, and monthly service charges;

- (c) Amendments to building, plumbing, fire and other construction codes adopted pursuant to RCW 19.27 or 19.27A; and,
 - (d) Other City enactments that are adopted pursuant to state or federal mandates (such as City's NPDES Municipal Stormwater Permit) that preempt the City's authority to vest regulations.
- 5.3. City's Reserved Authority. In accordance with RCW 36.70.B.170(4), the City reserves authority to impose new or different regulations to the extent required by a serious threat to public health and safety; provided, however, that such action shall only be taken by legislative act of the SeaTac City Council after appropriate public process.
6. **Other Development Standards.** The following specific development standards will govern the development of the Project.
- 6.1. **Parking Reduction (SMC 15.455.120 and SMC 15.310.410).** Residential parking is provided at a ratio of 0.60 stalls per unit.
 - 6.2. **Minimum Front Yard Setback (SMC 15.310.210).** Along 26th Avenue S, the minimum front yard setback is two (2) feet.
 - 6.3. **Maximum Front Yard Setback (SMC 15.310.210 A. 2. b).** Along S 200th St, the Maximum Front Yard Setback is permitted to be up to twenty (20) feet for up to 65% of the building's front façade.
 - 6.4. **Maximum Lot Coverage (SMC 15.400.200)** Maximum lot coverage is 81%.
 - 6.5. **Building Façade Landscaping (SMC 15.445.210).** The building façade landscaping minimum width requirement is two (2) feet in area shown on the Site Plan (Exhibit B) along the south portion of 26th Avenue S. Building façade landscaping is not required along the east property setback at the Shared Access Drive.
7. **Public Benefits.** In compliance with SMC 15.115.030(c)(11), the City has determined that all waivers and departures to the standards in the Code, as set forth in this Agreement, are in the judgment of the City, offset by providing benefits to the public, including without limitation those set forth in this Section 7, of equal or greater value relative to the departures requested.
- 7.1. **Affordable Housing.** Entitlement of permanent affordable housing totaling approximately 130 units, including 35 additional affordable as a result of the waivers and departures to the standards in the Code, as set forth in this Agreement. All units will be reserved for households earning less than 30%, 50%, or 60% of the King County area median income, which will increase the affordable housing stock in the City at different pricing levels.

- 7.2. **Family-Sized Housing.** Entitlement of approximately 52 two- and three-bedroom units, including 9 additional two- and three-bedroom units as a result of the waivers and departures to the standards in the Code, as set forth in this Agreement. These units increase the variety of housing type available in the City.
- 7.3. **Housing Reserved for Persons with Disabilities.** Entitlement of approximately 26 units reserved for persons with disabilities, including 7 additional units reserved for persons with disabilities as a result of the waivers and departures to the standards in the Code, as set forth in this Agreement. These units increase the variety of housing type available in the City.
- 7.4. **Commercial Space.** Entitlement of approximately 11,000 square feet of ground level commercial space located on the same block as a light rail station.
- 7.5. **Bicycle Plaza.** Entitlement of a public bicycle plaza along S 200th Street, consisting of a 25-foot wide, 15-foot deep building frontage area. The bicycle plaza will include bicycle storage, bicycle parking, an electronic screen with transit information, a neighborhood and transit map, and bench seating.
8. **Term.** This Agreement shall terminate upon the earlier of: (a) December 31, 2033; or (b) upon satisfaction of all obligations hereunder as determined by the City. Upon termination of this Agreement, the City shall record a notice of such termination in a form satisfactory to the City Attorney.
9. **Not an Exclusive Agreement; Incorporation by Reference.** Any other contractual transaction documents negotiated between Developer and the City are not merged herein and shall continue to have binding effect based upon their own terms.
10. **Notices.** Notices, demands, correspondence to the City and the Developer shall be sufficiently given if dispatched by pre-paid first-class mail to the following addresses:

CITY:

City of SeaTac
Attn: City Manager

4800 S. 188th Street
SeaTac, WA 98188
Telephone: (206) 973-4800
Facsimile: (206) 973-4899

DEVELOPER:

MHNW21 Angle Lake Family LLP
Attn: Joseph Thompson
Mercy Housing NW
6930 Martin Luther King Jr. Way S
Seattle, WA 98118
Telephone: (206) 602-3480
Facsimile: (206) 838-5705

The Parties hereto may, from time-to-time, advise the other of new addresses for such notices, demands or correspondence.

11. **Covenants Running with the Land.** The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land, and the benefits and burdens shall bind and inure to the benefit of the parties, their respective

heirs, successors, and assigns. This Agreement shall be recorded with the King County Recorder's Office.

12. **Future Amendments to Agreement.**

12.1. This Agreement may be amended administratively upon request by the Developer if the request does not significantly increase impacts created by the Project and does not include a use not approved by this Agreement and the approved City of SeaTac Comprehensive Plan. Except for the term of this Agreement, any of the dates set forth in this Agreement may be revised administratively by agreement between the Developer and the City Manager.

12.2. Major amendments to the Agreement shall require review and approval by the SeaTac City Council. The City Manager shall be entitled to administratively approve minor amendments to this Agreement under Section 12.1 above. A "minor Amendment" is defined as an amendment that does not increase the density of the Project by more than five percent (5%) or does not increase its adverse impacts on surrounding properties to a level of significant adverse impacts.

13. **Applicable Law and Attorneys' Fees.** This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in King County Superior Court, Maleng Regional Justice Center or the United States District Court for Western Washington.

14. **Specific Performance.** The parties specifically agree that damages are not adequate remedy for breach of this Agreement, and that the parties are entitled to compel specific performance of all material terms of this Agreement by any party in default hereof. Time is of the essence.

15. **Severability.** If any phrase, provision or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington that becomes effective after the vesting date, such invalidity shall not affect the validity of the remainder of this Agreement.

**CITY OF SEATAC, a municipal
corporation of the State of Washington**

**MHNW21 Angle Lake Family LLP, a
Washington limited liability company**

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

[NAME], Assistant City Attorney

Mercy Angle Lake Family Housing

Development Agreement DEV22-001

EXHIBIT A – LEGAL DESCRIPTION

Lots A of Angle Lake Station TOD lot line adjustment file no. Sub 19-0005, recorded under recording no. 20210629900043, in King County, Washington.

ADJACENT SOUND
TRANSIT ANGLE
LAKE LIGHT RAIL
STATION PARKING
GARAGE

PROPERTY LINE
2 FOOT SETBACK (DA 6.2)

204' - REDUCED FACADE LANDSCAPING WIDTH (DA 6.5)

SIX LEVELS OF
HOUSING ABOVE

11,000 SF OFFICE

THREE
LEVELS OF
PARKING

LOT AREA
33,529 SF

NO SIDE YARD LANDSCAPING - SHARED ACCESS DRIVE/SOUND TRANSIT EASEMENT (DA 6.5)

98' (62%) OF FRONT YARD
WITH 20' MAX SETBACK (DA 6.3)

S 200TH ST

R: RUNBERG
ARCHITECTURE
GROUP

PROJECT
MERCY ANGLE LAKE FAMILY HOUSING PROJECT NO
DEV22-0001

DRAWING TITLE
DEVELOPMENT AGREEMENT - EXHIBIT B - SITE PLAN

SCALE
1" = 40'-0" ISSUED
12/05/22

Public Benefits:

Below is a summary of the potential additional public benefits achieved under the Development Agreement proposal.

	Public Benefits under Code Compliant Parking Ratio	Public Benefits under Sound Transit Requirements	Public Benefits under Development Agreement Proposal	Incremental Public Benefit Achieved by Development Agreement
Number of affordable housing units	95	85	130	35 additional affordable housing units
2- and 3-bedroom units	42	Not a Terms Sheet requirement but a development goal	52	10 additional units 2- and 3-bedroom units
Units below 30% AMI	10	0	14	4 additional units for families earning less than 30% AMI
Units below 60% AMI	85 (total of 95 units)	85	116 (total of 130 units)	31 additional units for families earning less than 60% AMI
Units for people with I/DD	19	0	26	7 additional units for persons with IDD
Universally accessible units	95	0	130	35 additional universally accessible units
Public outdoor space	Code minimum only	Not required	Public Bike Plaza	Public Bike Plaza
Resident Services	Not required	Not required	Onsite Mercy Housing Resident Services Staff providing suite of services free of charge to all residents	Onsite Mercy Housing Resident Services Staff providing suite of services free of charge to all residents
Additional Office Space & Activation of S. 200 th	5,500 sf ground floor commercial		11,000 sf of ground floor commercial	Additional 5,500 sf ground floor commercial with owner/occupant with @ 60 employees.



Motion No. M2022-07

Key Business Terms for a Transit Oriented Development adjacent to Angle Lake Station, North TOD Site

Meeting:	Date:	Type of action:	Staff contact:
Executive Committee	02/03/2022	Recommend to Board	Don Billen, PEPD Executive Director
Board	02/24/2022	Final action	Mara D'Angelo, Manager, TOD Jordan Rash, Senior Project Manager

Proposed action

(1) Approves the key business terms of a Joint Development Agreement and Purchase and Sale Agreement with Mercy Housing Northwest for the sale of surplus property adjacent to Angle Lake Station for the creation of affordable housing; and (2) delegates to the chief executive officer the authority to execute and subsequently amend as necessary the Joint Development Agreement and Purchase and Sale Agreement and related covenants, conditions, and easements for the TOD project, all subject to the Board-approved key business terms.

Key features summary

- In September 2020, the Board approved Resolution No. R2020-04, which declared the three-quarter-acre property adjacent to Angle Lake Station to be suitable for development as housing and authorized staff to offer the site to qualified entities for the development of affordable housing. The resolution also authorized staff to offer the North site at a discounted land value price to facilitate affordable housing outcomes. Following a competitive solicitation, Mercy Housing Northwest (Mercy) was identified as the top ranked firm, with Notice of Intent to Award issued in August 2021.
- Mercy proposes an affordable housing project with approximately 85-100 housing units and ground floor commercial or office space. The units will be affordable to households whose annual income (adjusted for family size) is between 30 to 80 percent of Area Median Income (AMI), with average affordability at or below 60 percent of AMI. The units will be a mix of one, two, and three bedroom apartments.
- Mercy will pay a discounted purchase price of between \$300,000 and \$400,000 for the property. The final purchase price depends on Sound Transit's final review of the development program, funding sources, and project gap that would allow the project to move forward.
- Mercy is pursuing an agreement with the Arc of King County to relocate the Arc's headquarters to the ground floor space. As part of Mercy's agreement with the Arc and its commitment to the Washington State Housing Finance Commission, Mercy would set aside approximately 20 units within the affordable housing project for priority to households with developmental or intellectual disabilities. If the Arc is unable to commit to occupying the ground level space, Mercy will seek a similarly qualified nonprofit to occupy and purchase the ground level space or, alternatively, provide the minimum required ground floor commercial space.
- The property is federally funded and Sound Transit intends to apply to the Federal Transit Administration (FTA) for joint development approval or otherwise request FTA to discharge the federal obligation for the provision of affordable housing. Joint development approval will allow

Sound Transit to discount the property for affordable housing without repayment to the federal government and keep revenue received from the sale as unrestricted program income that may be used for either capital or operating expenses.

- No further Board action is anticipated.

Background

Property and TOD

The Angle Lake North transit-oriented development (TOD) Site was acquired by Sound Transit in 2013 and used to construct a new park-and-ride parking garage and plaza supporting the Angle Lake Station. Following construction, a surplus parcel of 33,529 square feet remains on the west side of the parking garage, known as the Angle Lake North TOD Site. The property was purchased with a federal participation rate of 80 percent and requires FTA approval for its reuse or disposition. The Angle Lake North TOD Site was appraised in 2019 for \$2.4 million. (Correction on 2/18/22: The 2019 Angle Lake North TOD Site appraisal was for \$2.2 million, not \$2.4 million.) The property is currently vacant, and is zoned Residential Business Mix (RBX) within the Angle Lake Station Area Overlay District.

Motion No. M2022-08 addresses an additional property, known as Angle Lake South TOD site, which is located across South 200th Street and was advanced in coordination with the Angle Lake North TOD Site.

Offering Process and Development Partner Selection

The Sound Transit Board approved a development strategy for the two TOD sites in September 2020 through Resolution No. R2020-04, which guided the agency on offering the North TOD Site to qualified entities (local governments, housing authorities, or non-profit developers) for affordable housing at a reduced cost and on offering the South TOD Site to the broader market at fair-market value.

In March 2021, Sound Transit released competitive requests for proposals (RFP) for the two TOD sites. Sound Transit identified Mercy as the top-ranked firm for the Angle Lake North TOD Site and subsequently negotiated a term sheet for the real estate transaction. Mercy proposed an affordable housing project with approximately 85 to 100 housing units with street-level commercial space that they intend to partner with Arc of King County for the Arc's headquarters. Mercy is targeting a 2023 construction start, assuming it secures its building permits and necessary financing.

Key Business Terms

Sound Transit will convey the Angle Lake North TOD Site to Mercy in a transaction intended to comply with RCW 81.112.350. The key business terms negotiated as a part of this transaction include the following:

Category	Agreement
Type of agreement	Joint Development Agreement and Purchase and Sale Agreement
Buyer/Developer	Mercy Housing Northwest, a Washington nonprofit corporation
Purchase price	\$300,000 to \$400,000. The final purchase price will be determined prior to entering into the purchase and sale agreement. Mercy will pay all closing costs. State law allows the Board to authorize a no cost or discounted transfer to qualified entities for the provision of affordable housing.

Affordable Housing Covenant	A restrictive covenant will be recorded on title at closing, restricting the housing use on the property for affordable housing for a period of 50 years.
Number of housing units and affordability	A minimum of 85 units will be created. All of the units (excluding manager units) will be affordable to households whose annual income adjusted for family size is between 30% and 80% of area median income (AMI), with affordability averaging below 60% of AMI.
Sustainability	The Project developed on the site will be required to meet one of the following conditions: <ul style="list-style-type: none"> • Evergreen Sustainable Development Standard v4, OR • LEED Mid-rise v4 or LEED Residential v4.1 Gold level, and meet ESDS requirement: 5.1A Building Performance Standard – New Construction
Joint Access and Utility Easement	A private roadway/alley between the TOD property and the west side of the Angle Lake garage will provide access to the TOD project. Sound Transit will convey a permanent access and utility easement for the portion of the alley on the garage parcel.

Future Board Involvement

No further Board action is anticipated for this development. Any material changes to the key business terms will be brought to the Board for approval.

Fiscal information

The TOD project is projected to bring in between \$300,000 and \$400,000 in sale proceeds at closing, which is anticipated for 2023. The sale proceeds are included in the 2022 Financial Plan and Budget. Because this revenue is already assumed in the most current long-range financial plan, this motion will not produce an additional fiscal impact.

The 2021 unrestricted property value for the Angle Lake North TOD site, as determined by an appraisal, was \$2.4 million. (Correction on 2/18/22: The 2019 Angle Lake North TOD Site appraisal was for \$2.2 million, not \$2.4 million.) This action would result in the agency selling the site below fair market value in order to achieve the affordable housing outcome.

Disadvantaged and small business participation

Sound Transit promotes and encourages small business participation, which also includes disadvantaged business enterprises (DBEs). Small business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of small businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that there were few small business and DBE subcontracting opportunities based upon the work described in this contract, so small business/DBE goals were not established.

Workforce utilization

The construction labor performance standards for this transaction include workforce utilization goals (21 % for labor hours for People of Color and 12% for Women), apprenticeship opportunities (20% of all labor hours), and paying prevailing wage. Mercy will use best efforts to hire or cause to be hired construction workforce meeting the workforce utilization goals.

Public involvement

Sound Transit conducted public outreach around this site – in conjunction with the surplus property to the south of the subject property, known as Angle Lake South – in Spring of 2018 and Summer of 2019, engaging with more than 200 people at multiple drop-in tabling events at Angle Lake Station, attending community events, and holding briefing events with community organizations. Feedback received through that outreach process supports the Board action outlined here.

Time constraints

Mercy intends to submit a funding application to the Washington State Housing Finance Commission by March 9, 2022 in order to qualify for bond and tax credit allocation consistent with the project schedule. Board authorization is a component in allowing Mercy to submit a complete and competitive application. As such, a one-month delay could impact their project schedule.

Prior Board/Committee actions

Resolution No. R2020-04: (1) Declared the North and South Transit Oriented Development Sites adjacent to the Angle Lake Link light rail station as suitable for development as housing; (2) authorized staff to offer the North Transit Oriented Development site first to qualified entities for affordable housing development; (3) authorized staff to offer the North Transit Oriented Development Site at a discounted land value price to facilitate affordable housing outcomes; and (4) authorized staff to offer the South Transit Oriented Development Site at fair market value to all interested parties.

Resolution No. R2019-01: Approved the chief executive officer's declaration that certain real property acquired for the South 200th Link Extension Light Rail Project is surplus and is no longer needed for a transit purpose.

Resolution No. R2018-12: Approved the chief executive officer's declaration of surplus real estate property originally acquired for the South 200th Link Extension is surplus and is no longer needed for a transit purpose.

Environmental review – KH 1/25/22

Legal review – JV 1/28/22



Motion No. M2022-07

A motion of the Board of the Central Puget Sound Regional Transit Authority to (1) approve the key business terms of a Joint Development Agreement and Purchase and Sale Agreement with Mercy Housing Northwest for the sale of surplus property adjacent to Angle Lake Station for the creation of affordable housing; and (2) delegate to the chief executive officer the authority to execute and subsequently amend as necessary the Joint Development Agreement and Purchase and Sale Agreement and related covenants, conditions, and easements for the TOD project, all subject to the Board-approved key business terms.

Background

Property and TOD

The Angle Lake North transit-oriented development (TOD) Site was acquired by Sound Transit in 2013 and used to construct a new park-and-ride parking garage and plaza supporting the Angle Lake Station. Following construction, a surplus parcel of 33,529 square feet remains on the west side of the parking garage, known as the Angle Lake North TOD Site. The property was purchased with a federal participation rate of 80 percent and requires FTA approval for its reuse or disposition. The Angle Lake North TOD Site was appraised in 2019 for \$2.4 million. (Correction on 2/18/22: The 2019 Angle Lake North TOD Site appraisal was for \$2.2 million, not \$2.4 million.) The property is currently vacant, and is zoned Residential Business Mix (RBX) within the Angle Lake Station Area Overlay District.

Motion No. M2022-08 addresses an additional property, known as Angle Lake South TOD site, which is located across South 200th Street and was advanced in coordination with the Angle Lake North TOD Site.

Offering Process and Development Partner Selection

The Sound Transit Board approved a development strategy for the two TOD sites in September 2020 through Resolution No. R2020-04, which guided the agency on offering the North TOD Site to qualified entities (local governments, housing authorities, or non-profit developers) for affordable housing at a reduced cost and on offering the South TOD Site to the broader market at fair-market value.

In March 2021, Sound Transit released competitive requests for proposals (RFP) for the two TOD sites. Sound Transit identified Mercy as the top-ranked firm for the Angle Lake North TOD Site and subsequently negotiated a term sheet for the real estate transaction. Mercy proposed an affordable housing project with approximately 85 to 100 housing units with street-level commercial space that they intend to partner with Arc of King County for the Arc's headquarters. Mercy is targeting a 2023 construction start, assuming it secures its building permits and necessary financing.

Key Business Terms

Sound Transit will convey the Angle Lake North TOD Site to Mercy in a transaction intended to comply with RCW 81.112.350. The key business terms negotiated as a part of this transaction include the following:

Category	Agreement
Type of agreement	Joint Development Agreement and Purchase and Sale Agreement
Buyer/Developer	Mercy Housing Northwest, a Washington nonprofit corporation

Purchase price	\$300,000 to \$400,000. The final purchase price will be determined prior to entering into the purchase and sale agreement. Mercy will pay all closing costs. State law allows the Board to authorize a no cost or discounted transfer to qualified entities for the provision of affordable housing.
Affordable Housing Covenant	A restrictive covenant will be recorded on title at closing, restricting the housing use on the property for affordable housing for a period of 50 years.
Number of housing units and affordability	A minimum of 85 units will be created. All of the units (excluding manager units) will be affordable to households whose annual income adjusted for family size is between 30% and 80% of area median income (AMI), with affordability averaging below 60% of AMI.
Sustainability	The Project developed on the site will be required to meet one of the following conditions: <ul style="list-style-type: none"> • Evergreen Sustainable Development Standard v4, OR • LEED Mid-rise v4 or LEED Residential v4.1 Gold level, and meet ESDS requirement: 5.1A Building Performance Standard – New Construction
Joint Access and Utility Easement	A private roadway/alley between the TOD property and the west side of the Angle Lake garage will provide access to the TOD project. Sound Transit will convey a permanent access and utility easement for the portion of the alley on the garage parcel.

Future Board Involvement

No further Board action is anticipated for this development. Any material changes to the key business terms will be brought to the Board for approval.

In September 2020, the Board approved Resolution No. R2020-04, which declared the three-quarter-acre property adjacent to Angle Lake Station to be suitable for development as housing and authorized staff to offer the site to qualified entities for the development of affordable housing. The resolution also authorized staff to offer the North site at a discounted land value price to facilitate affordable housing outcomes. Following a competitive solicitation, Mercy Housing Northwest (Mercy) was identified as the top ranked firm, with Notice of Intent to Award issued in August 2021.

Mercy proposes an affordable housing project with approximately 85-100 housing units and ground floor commercial or office space. The units will be affordable to households whose annual income (adjusted for family size) is between 30 to 80 percent of Area Median Income (AMI), with average affordability at or below 60 percent of AMI. The units will be a mix of one, two, and three bedroom apartments.

Mercy will pay a discounted purchase price of between \$300,000 and \$400,000 for the property. The final purchase price depends on Sound Transit’s final review of the development program, funding sources, and project gap that would allow the project to move forward.

Mercy is pursuing an agreement with the Arc of King County to relocate the Arc’s headquarters to the ground floor space. As part of Mercy’s agreement with the Arc and its commitment to the Washington State Housing Finance Commission, Mercy would set aside approximately 20 units within the affordable housing project for priority to households with developmental or intellectual disabilities. If the Arc is unable to commit to occupying the ground level space, Mercy will seek a similarly qualified

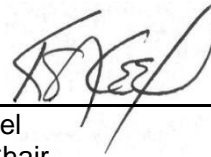
nonprofit to occupy and purchase the ground level space or, alternatively, provide the minimum required ground floor commercial space.

The property is federally funded and Sound Transit intends to apply to the Federal Transit Administration (FTA) for joint development approval or otherwise request FTA to discharge the federal obligation for the provision of affordable housing. Joint development approval will allow Sound Transit to discount the property for affordable housing without repayment to the federal government and keep revenue received from the sale as unrestricted program income that may be used for either capital or operating expenses.

Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority to (1) approve the key business terms of a Joint Development Agreement and Purchase and Sale Agreement with Mercy Housing Northwest for the sale of surplus property adjacent to Angle Lake Station for the creation of affordable housing; and (2) delegate to the chief executive officer the authority to execute and subsequently amend as necessary the Joint Development Agreement and Purchase and Sale Agreement and related covenants, conditions, and easements for the TOD project, all subject to the Board-approved key business terms.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 24, 2022.



Kent Keel
Board Chair

Attest:



Kathryn Flores
Board Administrator

Mercy Angle Lake Family Housing Development Agreement

Planning & Economic
Development
Committee

January 26, 2023



PURPOSE OF PRESENTATION

- Staff to provide an overview of a proposed development project and associated development agreement.
- Ask for recommendation to Council.

WHY IS THIS ISSUE IMPORTANT?

1. The decision on a Development Agreement is made by the Council per SMC15.115.030(D).

POTENTIAL COMMITTEE ACTION

ACTION REQUESTED

Recommend approval of this development agreement by the City Council on the consent agenda.

FUTURE REVIEWS

- City Council Meeting February 28th

NEXT STEPS

- Council Action
- Notice of Decision for the Preliminary Site Plan Review
- Building permit review & issuance



PROJECT LOCATION

SITE



PROJECT DESCRIPTION

- Residential mixed-use building
- 130 units of permanently affordable housing
- 11,000 Sq. Ft. ground floor office space
- 2 levels of structured parking
- Open/recreation space and amenities throughout the site



RENDERINGS



RENDERINGS

EXHIBIT 5e: Page 7 of 11
DATE: 01/26/23



WHAT IS IT?

- An agreement that sets forth development standards and other provisions that apply to, govern, and vest the development and use of the development of the property.
- The decision on a Development Agreement is made by the City Council.

WHY?

- Multi-Family/Mixed use is a permitted use, but...
- DA is necessary due to deviations requested by the applicant that cannot be approved administratively.
- In return for the deviations, public benefits have been provided.



DEVIATIONS TO THE ZONING CODE

1. Off street parking reduction and inclusion of compact stalls:
 - Residential parking ratio of 0.60 stalls per unit
 - Total of 78 stalls
 - Up to 30% provided as compact stalls
2. Minimum front yard setback reduction:
 - Reduce setback to 2 feet along 26th Ave S
3. Maximum front yard setback increase:
 - Increase up to 20 feet along S 200th St
4. Maximum lot coverage increase:
 - Increase to 81%
5. Landscaping reduction:
 - Reduce building façade landscaping width to 2' wide along 26th Ave S
 - Eliminate 5' side yard landscaping at the shared access drive



PUBLIC BENEFITS

1. Affordable Housing
 - 35 additional affordable units for families earning less than 30% & 60% of the King County Area Median Income (“AMI”)
 - Reserved for low-income families for 99 years
2. Family-Sized Housing
 - 9 additional two- and three-bedroom units
3. Housing Reserved for Persons with Disabilities
 - 7 additional units reserved
4. Commercial Space
 - 11,000 Sq. Ft
 - The Arc of King County
5. Bicycle Plaza
 - Along S 200th Street
 - Bicycle storage/parking, electronic screen w/ transit information, neighborhood & transit map, and bench seating



POTENTIAL COMMITTEE ACTION

ACTION REQUESTED

Recommend approval of this development agreement by the City Council on the consent agenda.

FUTURE REVIEWS

- City Council Meeting February 28th

NEXT STEPS

- Council Action
- Notice of Decision for the Preliminary Site Plan Review
- Building permit review & issuance





MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: 1/26/2023
To: Planning & Economic Development (PED) Committee
From: Evan Maxim, Community & Economic Development (CED) Director
Subject: Renters Protection: Draft Ordinance

Summary

On November 29, 2022, the PED committee directed staff to draft an ordinance for PED committee review and discussion at the January PED meeting. Staff has prepared a preliminary draft of the ordinance and is requesting guidance on the approach to community engagement and review of the draft ordinance.

Analysis

Background

In providing their motion on November 29, 2022, the PED committee requested staff to review Burien Ordinance 804 and other applicable law. The draft ordinance in this packet was modeled on the relevant sections of Ordinance 804. Staff also reviewed similar regulations in the cities of Auburn, Federal Way, and Redmond and incorporated language from these jurisdictions into this draft where appropriate.

PED committee motion / draft ordinance

The PED committee directed staff to develop an ordinance that incorporated specific regulations related to rental agreements between landlords and tenants. Each aspect of the PED committee motion and the corresponding regulatory language in the ordinance is summarized in the table below for reference.

PED Committee Direction	Draft Ordinance
120-day notice for rent increases greater than 3%	Page 10, line 5, 4.05.070
180-day notice for rent increases greater than 10%	Page 10, line 6, 4.05.070
Move in fees capped at the equivalent of one month's rent, payable in installments	Page 8, line 30, 4.05.050
Late fees capped at \$10	Page 9, line 28, 4.05.060
A social security number cannot be required for application	Page 14, line 21, 4.05.100
Renters on fixed income can adjust rent due date	Page 10, line 23, 4.05.080
Renters protected from eviction or lease termination without just cause; including language outlining the definition of just cause, protecting other tenants and property owners	Page 10, line 32, 4.05.090
No rent increase for uninhabitable units	Page 10, line 15, 4.05.070

Ongoing legal review

The draft ordinance is currently under review with the SeaTac Legal department. Staff recommends that the PED committee continue reviewing the draft ordinance but not take any action on the ordinance until after legal review is complete. The state has recently updated language in State Law (RCW 59.18) related to just cause evictions, which may affect the legality of the proposed ordinance. At present, the **yellow highlighted** text in the ordinance has been identified as possibly conflicting with provisions in State law. There is also recent case law, including an appeal of Burien's ordinance, that require careful review and evaluation prior to developing final language.

The Washington State Legislature is currently contemplating several bills that, if adopted, further amend state law in ways that are relevant to this draft ordinance.

- House Bill 1074 – establishes additional terms around the use of rental deposits;
- House Bill 1124 – requiring landlords to provide notice in advance of increasing rents, limiting late fees, and amending language related to eviction just cause; and,
- Senate Bill 5197 – modifying technical language in eviction notices.

The first two bills (HB 1074 & 1124) may result in conflicts requiring further edits to the draft ordinance.

Timeline, Approach, & Community Engagement

The draft ordinance does not meet the definition of a “development regulation” under RCW 36.70A.030, and consequently does not require Planning Commission review and recommendation to the City Council. However, the PED committee recently recommended that the Planning Commission engage further in policy discussions related to renters. Consequently, staff is seeking guidance from the PED committee on whether to continue review of the draft ordinance at PED committee or direct the Planning Commission to review and make a recommendation to the PED committee.

Staff recommends that the PED committee and / or the Planning Commission engage with the community prior through public meetings, prior to City Council action on the draft ordinance. Such engagement often takes the form of directly soliciting community input and holding a public hearing; alternatively, an open house approach would provide a good opportunity for community input. In this case, community engagement could be done either by the Planning Commission or by the PED committee.

Finally, as noted above, additional legal review is necessary prior to action on the draft ordinance. Consequently, staff recommends that the PED committee direct staff to seek community input on the proposed Renters Protection Ordinance in February and March. The Washington State legislative session is expected to end in late April. Consequently, the City will seek to complete its community engagement by the end of March, allowing the PED committee to complete its review in April and the City Council to take action in May. This approach will allow the City to accommodate any legislative changes in the draft ordinance.

PED Committee Direction

Staff is seeking direction from the PED committee on the following:

- Whether Planning Commission has a role in the review of this draft ordinance; and,
- To proceed with community engagement to inform either the Planning Commission or PED committee’s deliberations.

Alternative(s)

Provide additional direction to staff regarding the contents of the draft SeaTac Renters Protection ordinance.

Packet Materials

- Cover memo (this document)
- Draft Ordinance
- PowerPoint presentation

ORDINANCE NO. ____

AN ORDINANCE of the City Council of the City of SeaTac, Washington, adopting a new Title 4, Rental Housing, and a new Chapter 4.05 within Title 4, Rental Housing Protections, amending Chapter 1.15 Code Enforcement, providing for severability, and establishing an effective date.

WHEREAS, the SeaTac Comprehensive Plan Housing and Human Services element establishes Policy 3.5A, which reads: “*Use City programs to support physical and social stability in established residential neighborhoods.*”; and

WHEREAS, the City Council adopted the SeaTac Housing Action Plan on September 14, 2021, by Resolution No. 21-010, and the SeaTac Housing Action Plan establishes Objective 5, which reads: “*Help residents and businesses stay in SeaTac, and prevent disruption to communities*”; and

WHEREAS, the SeaTac Housing Action Plan indicates that approximately fifty percent of the SeaTac residential community occupies rental housing, and that average rents in SeaTac increased by forty-eight percent between 2012 and 2020 while area median income only increased by twenty-nine percent in the same time period; and

WHEREAS, SeaTac, together with the King County region, is facing an affordable housing crisis and several other cities, such as Auburn, Federal Way, Kenmore, Kent, Redmond, Seattle, Tukwila, and King County have adopted tenant protections; and

WHEREAS, the City Council finds and declares that this ordinance is necessary to stabilize rental housing within SeaTac; and

WHEREAS, the City Council desires to reduce the risk of displacement of residents by adopting rental housing regulations for inclusion in the SeaTac Municipal Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON, DO ORDAIN as follows:

Section 1. **Adopting a New Title 4, Rental Housing, and Chapter 4.05, Rental Housing Protections within the SeaTac Municipal Code (SMC).** There is adopted a new SeaTac Municipal Code Title 4, Rental Housing, and a new SeaTac Municipal Code Chapter 4.05, Rental Housing Protections to read as set forth attached hereto as Exhibit “A”, incorporated by this reference as if fully set forth herein.

Section 2. **Amending SMC 1.15.025, Code Enforcement.** SMC 1.15.025 is amended to read as follows:

A. Violations of the following titles and chapters of the SeaTac Municipal Code shall be remedied in accordance with SMC 1.15.045 through 1.15.075 by way of correction agreement and/or notice of infraction:

1. Chapter 5.05 SMC, regarding business licenses and regulations;
2. Chapter 5.10 SMC, relating to solicitors and canvassers;
3. Chapter 7.15 SMC, regarding property maintenance;
4. Chapter 7.25 SMC, regarding junk vehicles and vehicle storage;
5. Chapter 7.40 SMC, relating to garbage code; and
6. Repeat violations of any City code.

B. Violations of the following titles and chapters of the SeaTac Municipal Code shall be remedied in accordance with SMC 1.15.120 through 1.15.160, the notice and order procedures:

1. Chapter 4.05, relating to rental housing protections;
2. Chapter 11.05 SMC, relating to road standards;
- ~~23.~~ Chapter 11.10 SMC, relating to right-of-way use;
- ~~34.~~ Chapter 12.10 SMC, relating to storm water management;
- ~~45.~~ SMC Title 13, related to buildings and construction, unless otherwise specified; and
- ~~56.~~ SMC Title 15, Zoning Code violations, unless provided otherwise.

However, repeat violations of Chapter 11.05, 11.10 or 12.10 SMC or SMC Title 13 or 15 may be remedied in accordance with SMC 1.15.065 through 1.15.075, notice of infraction procedures.

C. Monetary Penalties – General. Any person violating any provision or regulation of the SeaTac Municipal Code may be subject to the assessment of civil penalties pursuant to this chapter. The monetary penalty for each violation per day or portion thereof shall be as follows:

1. For nonresidential violations:
 - a. First day of each violation, one hundred dollars (\$100.00);
 - b. Second day of each violation, two hundred dollars (\$200.00);
 - c. Third day of each violation, three hundred dollars (\$300.00);
 - d. Fourth day of each violation, four hundred dollars (\$400.00);
 - e. Each additional day of violation beyond four days, five hundred dollars (\$500.00) per day.
2. For residential violations, the penalty is one hundred dollars (\$100.00) per day of violation.
3. Payment of a monetary penalty does not relieve the person to whom the penalty was issued or assessed against of the duty to correct the violation.

D. Monetary Penalties – Environmentally Sensitive Areas. The code compliance provisions for environmentally sensitive areas as codified under Chapter 15.700 SMC are intended to encourage compliance and to protect environmentally sensitive areas and the general public from harm and to further the remedial purposes of this title. To achieve this, persons responsible for code compliance will not only be required to restore damaged or altered environmentally sensitive areas, insofar as that is possible and beneficial, but will also be required to pay a civil monetary penalty for the redress of ecological, recreation, and economic values lost or damaged due to their unlawful action.

1. The provisions of this section are in addition to and not in lieu of any other penalty, sanction or right of action provided by law for other related violations.
2. In addition to any other persons who may be responsible for violations occurring within or on environmentally sensitive areas, the owner of the land upon which the violation occurred shall be jointly and severally liable for the restoration of the site and the payment of any civil monetary penalty imposed.
3. Any person in violation of the environmentally sensitive areas under Chapter 15.700 SMC shall be subject to both the civil monetary penalties set forth in subsection (C) of this section and an amount reasonably determined by the City to be equivalent to:
 - a. The economic benefit that the person responsible for the violation derives from the violation, as measured by the greater of the resulting increase in market value of the property or the value received by the person responsible for the violation; and/or
 - b. Savings of construction costs realized by the person responsible for the violation as a result of performing any act in violation of Chapter 15.700 SMC; and/or
 - c. Reasonable value of property damaged.

Section 3. **Corrections.** Upon approval of the City Attorney’s Office, the City Clerk and the Code Reviser are authorized to make necessary corrections without altering intent, including the correction of clerical errors, references to other local, state, or federal laws, codes, rules, or regulations; or Ordinance numbering and section/subsection numbering.

Section 4. **Severability.** Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 5. **Effective Date.** This Ordinance shall be in full force and effect thirty (30) days after passage and publication as required by law.

ADOPTED this _____ day of _____, 2022, and signed in authentication
thereof on this _____ day of _____, 2022.

CITY OF SEATAC

Jake Simpson, Mayor

ATTEST:

Kristina Gregg, City Clerk

Approved as to Form:

Mary E. Mirante Bartolo, City Attorney

DRAFT

1 Exhibit A to Ordinance No. _____

2 SeaTac Title 4, Rental Housing

3 Chapter 4.05, Rental Housing Protections

- 4
- 5 4.05.010 Purpose and intent
 - 6 4.05.020 Applicability
 - 7 4.05.030 Definitions
 - 8 4.05.040 Distribution of information required
 - 9 4.05.050 Deposit requirements and installment payments permitted
 - 10 4.05.060 Late fees
 - 11 4.05.070 Rent increases
 - 12 4.05.080 Due date adjustments
 - 13 4.05.090 Just cause eviction
 - 14 4.05.100 Social Security numbers
 - 15 4.05.110 Enforcement
- 16
- 17

18 **4.05.010 Purpose and intent.**

19 The purpose of this chapter is to promote increased housing security in SeaTac by establishing
20 regulations and standards, related to the terms established within a rental agreement between a
21 landlord(s) and tenant(s), and supplementing those provisions contained in RCW 59.18, the
22 Residential Landlord Tenant Act of 1973 (“RLTA”), as amended. To achieve this purpose, this
23 chapter establishes minimum notice requirements for rental rate increases, establishes maximum
24 fee amounts, protects renter privacy, allows for the adjustment of rental due dates, and
25 establishes additional just cause protections for renters.

26 The intent of this chapter is to establish a rental program to support physical and social stability
27 in established residential neighborhoods. The regulations contained in this chapter are intended
28 to balance the needs of the landlord and tenant. SeaTac recognizes that the renting of residential
29 property is a commercial venture where owners and landlords must evaluate risk, profit, and loss.
30 Providing housing for SeaTac residents directly impacts quality of life, and therefore requires
31 regulations to ensure that it is equitably undertaken. This chapter strives to ensure housing
32 security for current and future residents and addresses potential retaliation against tenants who
33 make complaints about housing conditions.

34 **4.05.020 Applicability**

35 SMC 4.05.020 through 4.05.110 apply to tenancies governed by Chapter 59.18 RCW (RLTA)
36 and Chapter 59.20 RCW (Manufactured / Mobile Home Landlord Tenant Act) and are in
37 addition to the provisions provided in said chapters.

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4.05.030 Definitions

The definitions of this section apply throughout this chapter unless the context clearly requires otherwise. The definitions of RCW 59.18.030 (RLTA) also apply to this chapter unless otherwise defined in this section.

“Days” means calendar days unless otherwise provided.

“Director” means the city of SeaTac Director of the Community and Economic Development department, or the director’s designee.

“Dwelling unit” has the same meaning as RCW 59.18.030(10), as may be amended. At the time of passage of the ordinance codified in this chapter, the RLTA defined “dwelling unit” to mean a structure or that part of a structure which is used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household, including but not limited to single-family residences and units of multiplexes, apartment buildings, and mobile homes.

“Immediate family member” has the same meaning as RCW 59.18.030(10), as may be amended. At the time of passage of the ordinance codified in this chapter, the RLTA defined “immediate family member” to include the spouse or domestic partner, dependent children, and other dependent relatives.

“Landlord” has the same meaning as RCW 59.18.030 as may be amended and excluding living arrangements identified in RCW 59.18.040. At the time of passage of the ordinance codified in this chapter, the RLTA defined "Landlord" as the owner, lessor, or sublessor of the dwelling unit or the property of which it is a part, and in addition means any person designated as representative of the owner, lessor, or sublessor including, but not limited to, an agent, a resident manager, or a designated property manager.

“Nonrefundable move-in fees” means nonrefundable payment paid by a tenant to a landlord to cover administrative, pet, or damage fees, or to pay for cleaning of the dwelling unit upon termination of the tenancy but does not include payment of a holding fee authorized by RCW 59.18.253(2).

“Rent” means recurring and periodic charges identified in the rental agreement for the use and occupancy of the premises, which may include charges for utilities. These terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys’ fees. Provided, however, that if, at the commencement of the tenancy, the landlord has provided an installment payment plan for nonrefundable fees or deposits for the security of the tenant’s obligations and the tenant defaults in payment, the landlord may treat the default payment as rent owing.

“Rental agreement” has the same meaning as RCW 59.18.030(30), as may be amended. At the time of the passage of the ordinance codified in this chapter, the RLTA defined “rental agreement” as all agreements which establish or modify the terms, conditions, rules, regulations, or any other provisions concerning the use and occupancy of a dwelling unit.

1 “Security deposit” means a refundable payment or deposit of money, however designated, the
2 primary function of which is to secure performance of a rental agreement or any part of a rental
3 agreement. “Security deposit” does not include a fee.

4 “Subsidized housing” has the same meaning as RCW 59.18.030(33), as may be amended. At the
5 time of the passage of the ordinance codified in this chapter, the RLTA defined “subsidized
6 housing” as rental housing for very low-income or low-income households that is a dwelling unit
7 operated directly by a public housing authority or its affiliate, or that is insured, financed, or
8 assisted in whole or in part through one of the following sources: (a) a federal program or state
9 housing program administered by the department of commerce or the Washington State Housing
10 Finance Commission; (b) a federal housing program administered by a city or county
11 government; (c) an affordable housing levy authorized under RCW 84.52.105; or (d) the
12 surcharges authorized in RCW 36.22.178 and 36.22.179 and any of the surcharges authorized in
13 Chapter 43.185C RCW.

14 “Substantial rehabilitation” means extensive structural repair or extensive remodeling and
15 requires a building, electrical, plumbing, or mechanical permit for the tenant’s dwelling unit at
16 issue. Any “substantial rehabilitation” as provided herein requires displacement of a tenant.

17 “Tenant” has the same meaning as RCW 59.18.030(34), as may be amended, and excluding the
18 living arrangements identified in RCW 59.18.040 and 59.20.030(24), as may be amended. At the
19 time of passage of the ordinance codified in this chapter, the RLTA defined “tenant” as any
20 person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under
21 a rental agreement, and RCW 59.20.030 defined “tenant” as any person, except a transient, who
22 rents a mobile home lot.

23 **4.05.040 Distribution of information required.**

24 (1) Distribution of Information Packets by Landlord.

25 (a) The director shall prepare, and update as necessary, summaries of this chapter, the
26 SeaTac Property Maintenance Code (Chapter 13.210 SMC), state RLTA (Chapter 59.18
27 RCW), Forcible Entry and Forcible and Unlawful Detainer (Chapter 59.12 RCW), and
28 fair housing laws, describing the respective rights, obligations, and remedies of landlords
29 and tenants, including information about legal resources available to tenants.

30 (b) A landlord shall provide a copy of the summaries prepared by the director to any
31 tenant or prospective tenant when a rental agreement is offered, whether or not the
32 agreement is for a new or renewal agreement.

33 (c) Where there is an oral rental agreement, the landlord shall give the tenant copies of
34 the summaries described herein, either before entering into the oral rental agreement or as
35 soon as reasonably possible after entering into the oral rental agreement.

36 (d) For existing tenants, landlords shall, within 30 days after the summaries are made
37 available by the city, distribute current copies of the summaries to existing tenants.

1 (e) The initial distribution of information to tenants must be in written form and landlords
2 shall obtain the tenant's signature documenting tenant's receipt of such information. If a
3 tenant refuses to provide a signature documenting the tenant's receipt of the information,
4 the landlord may draft a declaration stating when and where the landlord provided tenant
5 with the required information. After the initial distribution of the summaries to tenants, a
6 landlord shall provide existing tenants with updated summaries by the city, and may do
7 so in electronic form unless a tenant otherwise requests written summaries.

8 (f) The packet prepared by the director includes informational documents only, and
9 nothing in the summaries therein shall be construed as binding on or affecting any
10 judicial determination of the rights and responsibilities of landlords and tenants, nor is the
11 director liable for any misstatement or misinterpretation of the applicable laws.

12 (2) Notice of Resources. A landlord is required to provide a copy of a resource summary,
13 prepared by the city, to any tenant when the landlord provides a notice to a tenant under RCW
14 59.12.030.

15
16 **4.05.050 Deposit requirements and installment payments permitted**

17 (1) Installment Payments, Generally.

18 (a) Upon a tenant's written request, tenants may pay security deposits, nonrefundable
19 move-in fees, and/or last month's rent in installments as provided herein; except that the
20 tenant cannot elect to pay the security deposit and nonrefundable move-in fees in
21 installments if:

22 (i) the total amount of the security deposit and nonrefundable move-in fees does
23 not exceed 25 percent of the first full month's rent for the tenant's dwelling unit;
24 and,

25 (ii) payment of last month's rent is not required at the inception of the tenancy.

26 (b) Landlords may not impose any fee, charge any interest, or otherwise impose a cost on
27 a tenant because a tenant elects to pay in installments.

28 (c) Installment payments are due at the same time as rent is due.

29 (d) All installment schedules must be in writing, signed by both parties.

30 (e) The sum of any security deposits, nonrefundable move-in fees, and/or last month's
31 rent may not exceed one month's rent, except in subsidized housing where the amount of
32 rent is set based on the tenants' income.

33 (f) The exception for subsidized housing shall not include tenancies regulated under
34 Section 8 of the Housing Act of 1937, 42 U.S.C. Section 1437f, commonly known as the
35 "choice voucher program."

36
37 (2) Fixed-Term Tenancies for Six Months or Longer. Tenants entering rental agreements with
38 terms lasting six or more months may choose to pay the security deposit, nonrefundable move-in
39 fees, and last month's rent, excluding any payment made by a tenant to the landlord prior to the
40 inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report,
41 in six equal monthly installments over the first six months occupying the dwelling unit.

1
2 (3) Month-to-Month or Tenancy Lasting Fewer Than Six Months. Tenants entering rental
3 agreements with terms lasting fewer than six months or month-to-month rental agreements may
4 choose to pay the security deposit, nonrefundable move-in fees, and last month's rent, excluding
5 any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the
6 landlord for the cost of obtaining a tenant screening report, in two equal installments. The first
7 payment is due at the inception of the tenancy, and the second payment is due on the first day of
8 the second month or period of the tenancy.

9
10 (4) Paying in installments does not apply to a landlord obtaining a tenant screening report, which
11 report cost paid by the tenant shall be limited to the standard and actual cost of the tenant
12 screening report.

13
14 (5) No security deposit may be collected by a landlord unless the rental agreement is in writing
15 and a written checklist or statement specifically describing the condition and cleanliness of or
16 existing damages to the premises and furnishings, including, but not limited to, walls, floors,
17 countertops, carpets, drapes, furniture, and appliances, is provided by the landlord to the tenant at
18 the beginning of the tenancy. The checklist or statement shall be signed and dated by the
19 landlord and the tenant, and the tenant shall be provided with a copy of the signed checklist or
20 statement.

21
22 (6) Nothing in this chapter prohibits a landlord from bringing an action against a tenant to
23 recover sums exceeding the amount of the tenant's security deposit for damage to the dwelling
24 unit for which the tenant is responsible. The landlord may seek attorney's fees for such an action
25 as authorized by Chapter 59.18 RCW.

26
27 **4.05.060 Late fees**

28 (1) Any fees for late payment of rent shall not exceed \$10.00 per month. No other fees may be
29 charged for late payment of rent. Any rental agreement provision providing for such fees shall be
30 deemed void with respect to any provision prohibited by this subsection. This section shall not
31 apply to or limit decisions, orders, and rulings of courts of competent jurisdiction.

32
33 (2) Any notice to pay or vacate served under RCW 59.12.030(3) shall include within the notice
34 in at least 16 point bold font the following information: "You have 14 days to pay the rent
35 required by this notice. After 14 days, you may pay the rent but will have to include a late fee
36 totaling at most \$10.00 per month for each month of rent owed. If the landlord has started a court
37 case to evict you and the case is filed in court, you will need to pay court costs as well before the
38 hearing date to avoid eviction."

39
40 **4.05.070 Rent increases**

41 (1) Rent increases shall comply with the provisions of the Washington State Residential
42 Landlord-Tenant Act as established by Chapter 59.18 RCW.

1 (2) A landlord may not increase the rent or charge any non-rent charges except in accordance
2 with this section. Any rental agreement or renewal of a rental agreement shall state the dollar
3 amount of the rent or rent increase and include, or shall be deemed to include, a provision
4 requiring not less than:

5 (a) 120 days' prior notice to the tenant of a rent increase over three percent.

6 (b) 180 days' prior notice to the tenant of a rent increase over ten percent.

7 (3) If the rental agreement governs a subsidized tenancy where the amount of rent is based on the
8 income of the tenant or circumstances specific to the subsidized household, the landlord shall
9 provide a minimum of 30 days' prior written notice of an increase in the amount of rent to each
10 affected tenant. In the event of such an increase, the tenant may terminate the tenancy
11 immediately upon surrendering the dwelling unit prior to the increase taking effect. The tenant
12 shall only owe pro rata rent through the date upon which the premises are surrendered. Any
13 notice increasing the current rent shall inform the tenant that they may terminate the tenancy at
14 any time and owe pro rata rent through the date the tenant surrenders the dwelling unit.

15 (3) A landlord shall not increase the rent to be charged to a tenant by any amount if the dwelling
16 unit has defective conditions making the dwelling unit uninhabitable or is otherwise in violation
17 of RCW 59.18.060, Landlord duties, as it exists or may be amended. If the tenant believes the
18 dwelling unit has defective conditions making the unit uninhabitable the tenant shall notify the
19 landlord in writing as required by RCW 59.18.070 before the effective date listed in the notice of
20 rent increase.

21
22 **4.05.080 Due date adjustments**

23 All rental agreements executed after the adoption of the ordinance codified in this chapter shall
24 include a provision allowing tenants to adjust the due date of rent payments if the tenant has a
25 regular primary source of income, monthly source of governmental assistance, or fixed income
26 source (e.g., social security) that the tenant receives on a date of the month that is incongruent
27 with paying rent on the date otherwise specified in the rental agreement. A landlord shall not
28 refuse to rent to a prospective tenant or terminate a lease based on a request for a due date
29 adjustment.

30
31 **4.05.090 Just cause eviction.**

32 (1) Tenant evictions within the City of SeaTac shall comply with the provisions of the
33 Washington State Residential Landlord-Tenant Act as established by Chapter 59.18 RCW.

34
35 (2) A landlord of housing units shall not evict or attempt to evict any tenant, or otherwise
36 terminate or attempt to terminate the tenancy of any tenant or refuse to renew or continue the
37 rental agreement after the expiration of the rental agreement, unless the landlord can prove in
38 court that just cause exists.

39
40 (3) A landlord may not evict residential tenants from rental housing units if the units are not
41 licensed with the city of SeaTac, regardless of whether just cause for eviction may exist.

1 (a) A landlord is in compliance with licensing requirement if the rental housing unit is
2 licensed with the city of SeaTac pursuant to Chapter 5.05 SMC before entry of a court
3 order authorizing eviction or before a writ of restitution is granted.

4 (b) A court may grant a continuance in an eviction action in order to give the landlord
5 time to license the rental housing unit.
6

7 (4) The reasons for termination of tenancy listed below, and no others, shall constitute just cause
8 under this section:

9 (a) The tenant fails to comply with a 14-day notice to pay rent or vacate pursuant to RCW
10 59.12.030(3); a 10-day notice to comply or vacate pursuant to RCW 59.12.030(4); or a
11 three-day notice to vacate for waste, nuisance (including a drug-related activity nuisance
12 pursuant to Chapter 7.43 RCW), or maintenance of an unlawful business or conduct
13 pursuant to RCW 59.12.030(5);

14 (b) The tenant habitually fails to pay rent when due which causes the owner to notify the
15 tenant in writing of late rent four or more times in a 12-month period; (see RCW
16 59.18.650(2)(a) & RCW 59.12.030

17 (c) The tenant fails to comply with a 10-day notice to comply or vacate that requires
18 compliance with a material term of the rental agreement or that requires compliance with
19 a material obligation under RCW 59.18.130;

20 (d) The tenant habitually fails to comply with the material terms of the rental agreement
21 which causes the owner to serve a 10-day notice to comply or vacate three or more times
22 in a 12-month period;

23 (e) The owner seeks possession so that the owner or a member of his or her immediate
24 family may occupy the unit as that person's principal residence and no substantially
25 equivalent unit is vacant and available in the same building, and the owner has given the
26 tenant at least 90 days' advance written notice of the date the tenant's possession is to
27 end. The director may reduce the time required to give notice to no less than 60 days if
28 the director determines that delaying occupancy will result in a personal hardship to the
29 owner or to the owner's immediate family. Personal hardship may include but is not
30 limited to hardship caused by illness or accident, unemployment, or job relocation. There
31 is a rebuttable presumption of a violation of this subsection (4)(e) if the owner or a
32 member of the owner's immediate family fails to occupy the unit as that person's
33 principal residence for at least 60 consecutive days during the 90 days immediately after
34 the tenant vacated the unit pursuant to a notice of termination or eviction using this
35 subparagraph as the cause for eviction;

36 (f) The owner elects to sell a dwelling unit subject to the provisions of this chapter and
37 gives the tenant at least 90 days' written notice prior to the date set for vacating, which
38 date shall coincide with the end of the term of a rental agreement, or if the agreement is
39 month to month, with the last day of a monthly period. The director may reduce the time
40 required to give notice to no less than 60 days if the director determines that providing 90
41 days' notice will result in a personal hardship to the owner. Personal hardship may
42 include but is not limited to hardship caused by illness or accident, unemployment, or job
43 relocation. For the purposes of this subsection, an owner "elects to sell" when the owner

1 makes reasonable attempts to sell the dwelling within 30 days after the tenant has
2 vacated, including, at a minimum, listing it for sale at a reasonable price with a realty
3 agency or advertising it for sale at a reasonable price in a newspaper of general
4 circulation. There shall be a rebuttable presumption that the owner did not intend to sell
5 the unit if:

6 (i) Within 30 days after the tenant has vacated, the owner does not list the single-
7 family dwelling unit for sale at a reasonable price with a realty agency or

8 advertise it for sale at a reasonable price in a newspaper of general circulation, or

9 (ii) Within 90 days after the date the tenant vacated or the date the property was

10 listed for sale, whichever is later, the owner withdraws the rental unit from the

11 market, rents the unit to someone other than the former tenant, or otherwise

12 indicates that the owner does not intend to sell the unit;

13 (g) The tenant's occupancy is conditioned upon employment on the property and the
14 employment relationship is terminated;

15 (h) The owner seeks to do substantial rehabilitation in the building and gives the tenant at
16 least 120 days' written notice prior to the date set for vacating. To utilize this basis as the
17 rationale for termination, the owner must obtain at least one permit necessary for the
18 rehabilitation before terminating the tenancy;

19 (i) The owner elects to demolish the building, convert it to a cooperative, or convert it to
20 a nonresidential use and gives the tenant at least 120 days' written notice prior to the date
21 set for vacating. To utilize this basis as the rationale for termination, the owner must
22 obtain a permit necessary to demolish or change the use before terminating any tenancy
23 or converting the building to a condominium;

24 (j) The owner seeks to discontinue use of a housing unit unauthorized by SMC Title 15
25 after receipt of a notice of violation;

26 (k) The owner seeks to reduce the number of individuals residing in a dwelling unit to
27 comply with the maximum limit of individuals allowed to occupy one dwelling unit as
28 required by SMC Title 13; and

29 (i)

30 (A) The number of such individuals was more than is lawful under the
31 current version of SMC Title 13; and

32 (B) That number has not increased with the knowledge or consent of the
33 owner; and

34 (C) The owner is either unwilling or unable to obtain a permit to allow the
35 unit with that number of residents; and

36 (ii) The owner has served the tenants with a 30-day notice, informing the tenants
37 that the number of tenants exceeds the legal limit and must be reduced to the legal
38 limit; and

39 (iii) After expiration of the 30-day notice, the owner has served the tenants with
40 and the tenants have failed to comply with a 10-day notice to comply with the
41 limit on the number of occupants or vacate; and

42 (iv) If there is more than one rental agreement for the unit, the owner may choose
43 which agreements to terminate; provided, that the owner may either terminate no

1 more than the minimum number of rental agreements necessary to comply with
2 the legal limit on the number of occupants, or, at the owner's option, terminate
3 only those agreements involving the minimum number of occupants necessary to
4 comply with the legal limit;

5 (l) An emergency order requiring that the housing unit be vacated and closed has been
6 issued pursuant to SMC Title 13 and the emergency conditions identified in the order
7 have not been corrected;

8 (m) The owner seeks to discontinue sharing with a tenant of the owner's own housing
9 unit, i.e., the unit in which the owner resides, seeks to terminate the tenancy of a tenant of
10 an accessory dwelling unit that is accessory to the housing unit in which the owner
11 resides, or seeks to terminate the tenancy of a tenant in a single-family dwelling unit and
12 the owner resides in an accessory dwelling unit on the same lot. This subsection does not
13 apply if the owner has received a notice of violation of the development standards of
14 SMC Title 15;

15 (n) A tenant, or with the consent of the tenant, the tenant's subtenant, sublessee, resident,
16 or guest, has engaged in criminal activity on the premises, or on the property or public
17 right-of-way abutting the premises, and the owner has specified in the notice of
18 termination the crime alleged to have been committed and the general facts supporting
19 the allegation, and has assured that the department has recorded receipt of a copy of the
20 notice of termination. For purposes of this subsection a person has "engaged in criminal
21 activity" if he or she:

22 (i) Engages in drug-related activity that would constitute a violation of Chapter
23 69.41, 69.50, or 69.52 RCW; or

24 (ii) Engages in activity that is a crime under the laws of this state, but only if the
25 activity substantially affects the health or safety of other tenants or the owner.
26

27 (5) Any rental agreement provision which waives or purports to waive any right, benefit or
28 entitlement created by this section shall be deemed void and of no lawful force or effect.
29

30 (6) With any termination notices required by law, owners terminating any tenancy protected by
31 this section shall advise the affected tenant or tenants in writing of the reasons for the termination
32 and the facts in support of those reasons.
33

34 (7) If a tenant who has received a notice of termination of tenancy claiming subsection (4)(e), (f)
35 or (m) of this section as the ground for termination believes that the owner does not intend to
36 carry out the stated reason for eviction and makes a complaint to the director, then the owner
37 must, within 10 days of being notified by the director of the complaint, complete and file with
38 the director a certification stating the owner's intent to carry out the stated reason for the
39 eviction. The failure of the owner to complete and file such a certification after a complaint by
40 the tenant shall be a defense for the tenant in an eviction action based on this ground.
41

1 (8) In any action commenced to evict or to otherwise terminate the tenancy of any tenant, it shall
2 be a defense to the action that there was no just cause for such eviction or termination as
3 provided in this section.
4

5 (9) It shall be a violation of this section for any owner to evict or attempt to evict any tenant or
6 otherwise terminate or attempt to terminate the tenancy of any tenant using a notice which
7 references subsection (4)(e), (f), (h), (k), (l) or (m) of this section as grounds for eviction or
8 termination of tenancy without fulfilling or carrying out the stated reason for or condition
9 justifying the termination of such tenancy.
10

11 (10) An owner who evicts or attempts to evict a tenant or who terminates or attempts to
12 terminate the tenancy of a tenant using a notice which references subsection (4)(e), (f) or (h) of
13 this section as the ground for eviction or termination of tenancy without fulfilling or carrying out
14 the stated reason for or condition justifying the termination of such tenancy shall be liable to
15 such tenant in a private right for action for damages up to \$2,000, costs of suit, or arbitration and
16 reasonable attorney's fees.
17
18

19 **4.05.100 Social Security numbers**

20 (1) No landlord shall require that any tenant, prospective tenant, occupant, or prospective
21 occupant of rental property provide a social security number. Alternative proof of financial
22 eligibility such as portable screening reports or other proof of income must also be accepted,
23 where available, if offered by the tenant.
24

25 (2) Nothing in this section shall prohibit a rental housing owner or nonowner manager from
26 either:

27 (a) Complying with any legal obligation under federal law.

28 (b) Requesting information or documentation necessary to determine or verify the
29 financial qualifications of a prospective tenant, or to determine or verify the identity of a
30 prospective tenant or prospective occupant. However, if the rental housing owner or
31 nonowner manager requests a social security number for verifying financial
32 qualifications, other documentation sufficient to verify financial qualifications must also
33 be accepted, such as portable screening reports, Individual Taxpayer Identification
34 Number (ITIN) or other proof of income, and if a person is offering alternative means,
35 the rental housing owner or nonowner manager must offer the same terms to the applicant
36 as if a social security number was provided.

37 (3) A landlord may utilize information including, but not limited to, previous names, addresses,
38 personal references, and work history to screen prospective tenants. A landlord shall maintain the
39 right to take adverse action because of inaccurate, unfavorable, or unavailable screening results.
40

41 **4.05.110 Enforcement**

42 (1) A violation of this Chapter 4.05 shall be a violation as defined by SMC 1.15.020 and shall be
43 subject to the code enforcement provisions of SMC 1.15 Code Enforcement.

1 (2) Powers and Duties of the Director.

2 (a) The director is authorized to enforce this chapter consistent with the provisions of
3 SMC 1.15 Code Enforcement.

4 (b) The director shall attempt to settle by agreement any alleged violation or failures to
5 comply with the provisions of this chapter; provided, that nothing herein shall create a
6 right or entitlement of a landlord to settlement by agreement.

7 (c) The director is authorized to request records from landlord and the landlord shall
8 allow the director access to such records, as well as a complete roster of tenants' names
9 and contact information, when requested, with at least five business days' notice and at a
10 mutually agreeable time, to investigate potential violations of the requirements of this
11 chapter.

12 (3) Any provision in violation of SMC 4.05.040 through 4.05.100 in a rental agreement are null
13 and void and of no lawful force and effect.

14 (4) A landlord found in violation of any of the provisions in this chapter, unless otherwise
15 provided in this chapter, shall be liable to such a tenant in a private right of action for the greater
16 of double the tenant's economic and noneconomic damages or three times the monthly rent of
17 the dwelling unit at issue, and reasonable litigation costs and attorneys' fees.

DRAFT

Renters Protections: Draft Ordinance

January 26, 2023



PURPOSE OF PRESENTATION

On November 29, 2022, the PED Committee directed staff to draft a Renters Protection ordinance for PED committee review.

WHY IS THIS ISSUE IMPORTANT?

1. On July 22, 2022, Councilmembers Guzman and Egal submitted CRF22-09 related to renters' eviction notices and reducing renter late fee charges. The CRF was referred to the PED committee and placed on hold while the PED committee until after review of the requested draft ordinance.
2. The draft Renters Protection ordinance contains specific provisions requested by the PED committee, which need review.
3. Staff is requesting confirmation on an approach to community engagement.

POTENTIAL COMMITTEE ACTION

COMMITTEE DIRECTION REQUESTED – Staff are seeking:

- Whether Planning Commission has a role in the review of this draft ordinance; and,
- To proceed with community engagement to inform either the Planning Commission or PED committee's deliberations.

STAFF RECOMMENDATION None.

REVIEWS TO DATE

- PED: 01/26/2023



DRAFT ORDINANCE: CONTENTS (1 OF 2)

EXHIBIT 6c: Page 4 of 8
DATE: 01/26/23

PED Committee Direction	Draft Ordinance
120-day notice for rent increases greater than 3%	Page 10, line 5, 4.05.070
180-day notice for rent increases greater than 10%	Page 10, line 6, 4.05.070
Move in fees capped at the equivalent of one month's rent, payable in installments	Page 8, line 30, 4.05.050
Late fees capped at \$10	Page 9, line 28, 4.05.060
A social security number cannot be required for application	Page 14, line 21, 4.05.100
Renters on fixed income can adjust rent due date	Page 10, line 23, 4.05.080
Renters protected from eviction or lease termination without just cause; including language outlining the definition of just cause, protecting other tenants and property owners	Page 10, line 32, 4.05.090
No rent increase for uninhabitable units	Page 10, line 15, 4.05.070



DRAFT ORDINANCE: CONTENTS (2 OF 2)

Drafting notes

- The draft ordinance was largely based on the relevant sections of Burien's Ordinance 804
 - Cities of Auburn, Federal Way, and Redmond have similar language, which is the basis for some amendments to the draft ordinance
 - Code enforcement chapter (SMC 1.15) also updated to ensure compliance with the provisions of the Renters Protection ordinance
- Legal review is underway
 - Significant case law, including an appeal of the Burien Ordinance
 - Possible conflict with the existing provisions of the Residential Landlord Tenant Act (RCW 59.18)
- Three bills before the WA State Legislature that may affect SeaTac's ordinance



PLANNING COMMISSION & COMMUNITY ENGAGEMENT

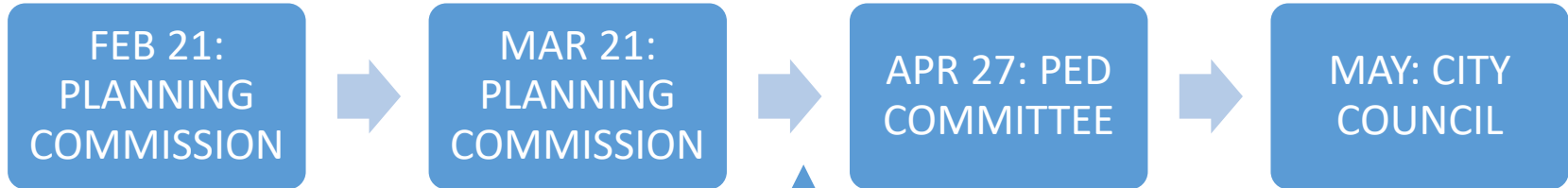
Timeline & Approach

- It appears likely that the best time to adopt the draft ordinance and avoid conflicts with proposed legislation is early May of 2023.
- Staff is seeking direction:
 - A. Whether Planning Commission has a role in the review of this draft ordinance prior to review / action by the PED committee and City Council;
 - B. To proceed with community engagement to inform either the PED committee or the Planning Commission's deliberations
- No action is recommended until:
 - Legal review is complete, and any necessary amendments have been identified; and
 - Either the Planning Commission or PED committee has reviewed the draft ordinance and engaged with the affected community



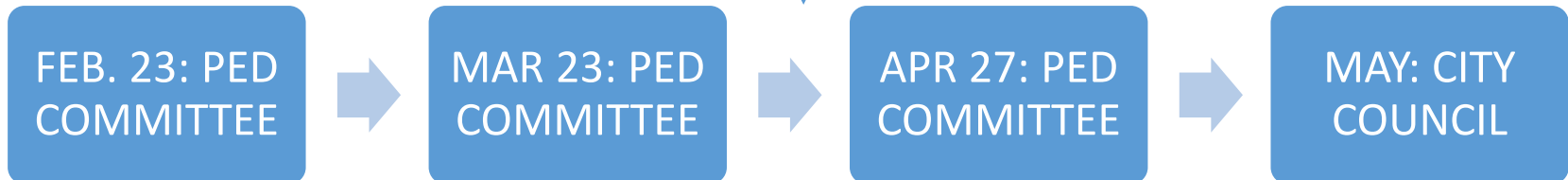
TIMELINE

Planning Commission



April 24: End of Leg. Session

PED Committee



POTENTIAL COMMITTEE ACTION

COMMITTEE DIRECTION REQUESTED – Staff are seeking:

- Whether Planning Commission has a role in the review of this draft ordinance; and,
- To proceed with community engagement to inform either the Planning Commission or PED committee's deliberations.

STAFF RECOMMENDATION None.

REVIEWS TO DATE

- PED: 01/26/2023

