



Housing



Executive Summary

The housing section focuses on housing issues within the South Lake Union neighborhood and provides a set of concrete guidelines for housing development in the area. This report identifies and evaluates potential strategies for the neighborhood that promote a diversity of housing types across a range of incomes, accommodating both the current population and expected future growth. This analysis expands on previous research and is the result of collaboration with other University of Washington Department of Urban Design and Planning research groups. The final recommendations and implementation strategies are the result of this research, conducted for the City of Seattle, with a goal of integrating a greater level of housing diversity into the South Lake Union (SLU) community. This is both for the benefit of those who currently call South Lake Union home as well as those who will do so over the next twenty years.

The key recommendations made to the City of Seattle consist of:

- Using developer incentives to increase the attractiveness of constructing affordable housing units in conjunction with market rate units
- Utilizing employer incentives to promote a sustainable community of those that both live and work in the area.
- Leveraging home ownership programs to create a balance of owner and rental housing diversity
- Developing ideas that could promote a greater number of families to move into the South Lake Union neighborhood, which is necessary for achieving a vibrant and diverse community
- Encouraging the communication and cooperation between all developers (both for- and non-profit) to successfully create a diverse neighborhood.

Introduction

At the beginning of this project, the housing group assumed that for-profit developers would produce adequate market rate housing. So, the need for a greater diversity in both housing types and affordability was the primary focus, and there was concern that without proper incentives, the market would fail to develop housing for those earning below 80% of median income and other socioeconomic groups with special needs. The vision for a thriving and vibrant South Lake Union community is an achievable one if the area provides housing for all: families, seniors, singles, and young couples of all income levels. There should be a wide variety of housing options for those that would like to move into this up-and-coming neighborhood. Accommodating growth while maintaining affordability is a difficult outcome to achieve without innovative policies, regulations, and processes, yet these are necessary for the South Lake Union community to become a success. This research and analysis compares housing and population statistics from the top cities in the Biotechnology industry: Boston, Philadelphia, San Diego, San Francisco, and Washington D.C to assess the type of people and housing needs that could become a part of the South Lake Union neighborhood, given its potential to become a biotech center.

Additionally, the projected density and number of dwelling units, as identified in the Sommers report, has been compared to the projected population, as identified by Seattle City's Comprehensive Plan to analyze the extremes of the housing type composition and diversity. The housing group also focused on the different housing organizations that could have a potential role in the development of the South Lake Union neighborhood. An outline and strategy has been provided for the possible coordination between these organizations, either individually or through partnerships, to meet the neighborhood's future housing goals. This report includes a table of examples of ways in which Seattle and other cities have promoted housing affordability and provided for a variety housing types. The table includes ways of achieving necessary housing diversity through topics such as developer incentives, increasing affordability and home ownership, and family housing.





Analysis

Housing and Population Demographic Analysis

Method

This report includes an analysis of Census 2000 data for comparable census tracts that contain similar employment composition as that expected in the South Lake Union area. The biotechnology sector is a major focus of future development in South Lake Union. According to Paul Sommers' report *Potential Economic and Fiscal Impacts of South Lake Union Development*, thirty-five percent of future land development is projected for biotechnology use by 2024¹. A critical component to developing South Lake Union into a sustainable neighborhood is achieving the goal of allowing people to live near their workplaces. This analysis identifies those areas that are attractive to employees of the biotechnology sector.

This analysis uses the first six of the top 12 cities identified by the Miliken Institute's study of the top 12 biotech metro areas— San Diego; Boston; Raleigh-Durham-Chapel Hill; San Jose; Seattle-Bellevue-Everett; and Washington, D.C.² Census data was obtained for all census tracts fully contained within the boundaries of their respective metropolitan statistical area (MSA) or primary metropolitan statistical area (PMSA). These six P/MSA's contained a sum of 3,425 census tracts. These 3,425 census tracts were narrowed down further by the number of "employed civilian population 16 years and over: professional; scientific; and technical services", as indicated by the US Census Bureau. Those which contained the highest values were considered desirable as they indicate the areas with the highest concentration of employees most similar to those South Lake Union expects to attract via growth of the biotechnology sector. To create a manageable amount of data for analysis, the 200 census tracts that reported the most employment in the professional, scientific and technical services within each P/MSA were used for analysis. All others were discarded.

For example, Chatham County's Census Tract 208, in North Carolina, reported 358 people employed in the indicated sectors. For this category, this is among the top 200 reported amounts for all of the census tracts within the Raleigh-Durham-Chapel Hill MSA. Consequently, Census Tract 208 qualifies for analysis and is retained. This process guaranteed that 1,200 census tracts would be observed for analysis; the 200 hundred census tracts containing the most of the reported category, for each of the six P/MSAs. Again, the assumption being made is that South Lake Union will have a high number of this employment sector as a result of the increased biotech and office jobs that will be created in the area and thus these census tracts are more accurate comparables for analysis.

Finally, data was summarized in both table and graph form containing the P/MSA's mean value of all the comparable census tracts that remained. This created a composite of the 200 census tracts within a P/MSA that most resembled the employment composition expected in South Lake Union. For example, in the category "Employment / Households," two hundred values were averaged for each of the six P/MSA's for analysis. This data was then compared to mean values derived from Census Tracts 72 and 73 in King County, Washington, which comprises the majority of the South Lake Union neighborhood.

Discussion

The census tracts with a high population of scientific, professional & technical



service employees contain many similarities regardless of the metropolitan statistical area in which they are contained in contrast to the two census tracts that comprise the South Lake Union area.

Small household size

Population totals for the analyzed areas demonstrate that mean populations for these census tracts range from 5,158 in the Seattle-Bellevue-Everett metropolitan area to 7,394 in the Washington, D.C. metropolitan area, while the mean population for South Lake Union's comparable census tracts (72 & 73) is 2,651. The anticipated growth in the area of 8,000 households by 2024 will create a population similar to those of the other metropolitan areas. The data also shows that the South Lake Union area contains many smaller households than the comparable areas. This is highlighted by the fact that while population totals are drastically lower in South Lake Union mean values for households do not suffer such a deficiency. This is buttressed by the extremely low number of families in South Lake Union. So, with a comparable number of households, yet a much smaller total population and smaller number of families; a logical inference is that this household size is comparably less. This trend is reflected in the existing housing ownership and housing stock.

(see Housing - Graph #1, appended)

High proportion of rental units decreases bedroom number

At a ratio of eight rental units to every owner-occupied unit, housing in South Lake Union is heavily skewed toward rentals. In all of the comparable areas of analysis, the balance between owner-occupied and renter-occupied units is approximately 3:2 to 4:2. The comparable areas of analysis also contain a much more natural distribution of the number of rooms within housing units with means slightly weighted towards the greater number of rooms. South Lake Union contains a disproportionately high amount of 1-, 2-, 3-bedroom units, most likely a result of the high number of rental units in the area.

(see Housing - Graph #2, appended)



SLU has a greater number of housing structures with 50 or more units. There is also a great divergence in housing type between South Lake Union and the other metropolitan areas. Mean values of detached, single-unit housing structures among the six metropolitan areas range from 41% to 60%. Washington, D.C., notably has 23.6% attached single-unit structures, the highest of all, as well as the second greatest value for 50+ unit structures at 14.6% of its housing stock. The majority of South Lake Union's housing stock is in the 50+ units structure category at 61.3%.

(see Housing - Graph #3, appended)

SLU contains mostly older and newer buildings with little in-between. Lastly, South Lake Union's housing stock contains older buildings (30.4% built in 1939 or earlier), second to only Boston (39.4% built in 1939 or earlier). The majority of the metropolitan areas show a large portion of their housing stock being constructed from 1980-1989; San Jose shows a slightly older build-up. Although South Lake Union does have a great amount of older housing, the recent development in the area is visible, as a substantial amount of residential housing has been built evenly in the decade prior to 2000. This data shows that South Lake Union did not develop during the years of the comparable areas.

(see Housing - Graph #4, appended)

From this research, it is apparent that the housing and population composition of South Lake Union is incongruous with areas that report a large population of employed scientific, professional, and technical service employees. These areas tend to have a greater population and more families. They also have a housing stock one would suspect of such an environment: more rooms per unit, less units per structure, and slightly newer housing stock. The current and projected development in South Lake Union will bring about change to its current population and housing stock. Yet more analysis is needed to determine causality between desired population and housing stock characteristics so that implementation strategies can be proposed.

Identifying Housing Responsibilities and Coordinating Housing Related Organizations in the South Lake Union Neighborhood

There is currently no single organization that oversees housing issues and development in South Lake Union. Rather, multiple organizations ranging from



government to small non-profits and larger developers are involved in the creation of housing for the neighborhood. A common vision and a concerted effort on behalf of multiple organizations are especially important as the neighborhood grows to accommodate an expected 9,210 residents and 35,690 jobs by 2024. This section identifies various organizations that could play a role in developing and managing housing in South Lake Union. Identifying these groups provides an overview of their individual functions and responsibilities regarding housing in the neighborhood and offers a starting point for the exchange of information and the establishment of partnerships. These organizations can be organized into a consortium that oversees housing issues for South Lake Union.

Method

Research was carried out on public and private organizations to focus on housing issues and the functions/roles they play. Organizations that were pertinent to South Lake Union were studied in depth; unrelated organizations were ignored. The most useful and similar groups were then placed in a matrix and categorized by their organization type and potential housing role in South Lake Union. Categorization was based on information from each organization's website and on information provided by the 2004 Housing Development Consortium. This matrix enabled the housing group to identify major responsibilities and processes in bringing housing to the neighborhood and also provides some insight into opportunities for collaboration toward this endeavor.

Housing Responsibilities

The following responsibilities are associated with the organizations listed below, categorized by function, which includes acquisition (PA), development (PD) and management (PM), policy (POL), funding (F) and coordination (C), the specific roles of which are further explained below:

Property

Acquisition [PA]

- Acquire land that can be devoted to housing.
- Identify buildable or underused properties, which can include vacant parcels or parking lots.
- Work with land owners to identify properties that can be sold, donated or exchanged so that they can be used for housing.
- Acquisition can also employ land banking methods to acquire property for future use before any expected market values

appreciation.

- This responsibility can be held either by the Seattle Housing Authority or by housing developers, and possibly through partnerships with significant land owners.

Development [PD]

- Develop affordable and market rate housing.
- Work with policy-makers to see that requirements are met. These requirements can include affordability, design, density, height, etc.
- This responsibility can be held either by the Seattle Housing Authority or by housing developers.

Management [PM]

- Identify eligible tenants or owners
- Administer resident services such as training, referral or financial assistance for repair.
- Property maintenance
- This responsibility can be held either by the Seattle Housing Authority or by housing developers.

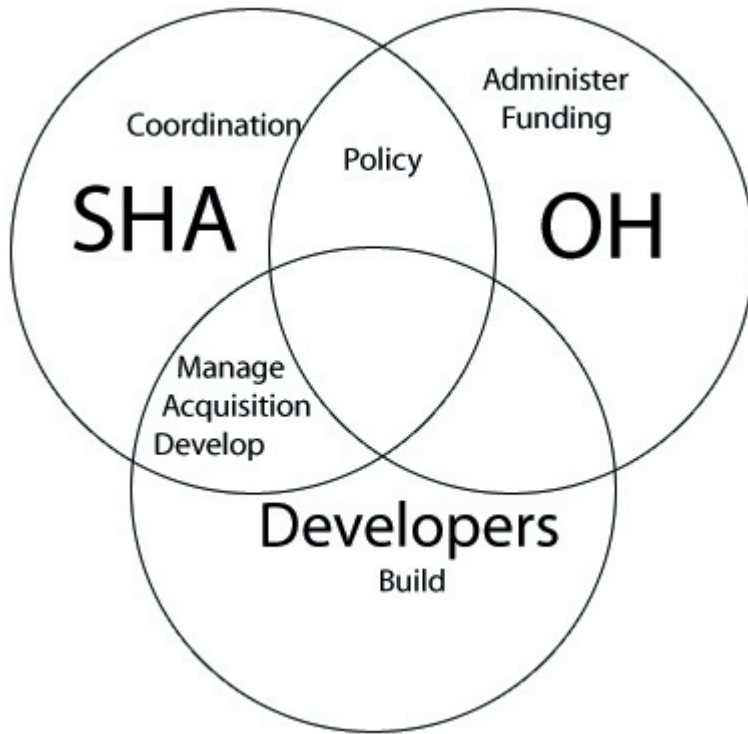
Policy [POL]

- Identify ideal housing targets specific to South Lake Union demographics. These include establishing appropriate densities, ownership vs. renting ratio, affordable vs. market rate ratio and balance of diverse housing stock.
- Identify and monitor affordability qualifications.
- Housing program development. Examples of such programs can include affordable ownership through land trusts and being a funding source for affordable housing residents.
- Identify and implement housing related incentives.
- Monitor the effects of policy.
- Policy responsibilities can be administered by either the Seattle Housing Authority or the Office of Housing.

Funding [F]

- Handle applications for grants, programs, funding. Responsibilities held by either the Seattle Housing Authority or developers.
- Administer and allocate funds. Responsibilities held primarily by the City of Seattle Office of Housing.
- Manage housing specific funds such as a city wide affordable housing trust. Responsibilities held primarily by the City of Seattle Office of Housing.





group to focus on property related responsibilities, emphasizing development and also participating in acquisition and management. The Seattle Housing Authority emerges as the best group to focus on property, policy and coordination, emphasizing property acquisition, ownership and management, and community outreach as well. Given its responsibilities, the Office of Housing appears to be the best group to handle the responsibilities related to policy and funding through such activities as identifying housing targets for the neighborhood or administering housing funds to developers and the Seattle Housing Authority. There may be some overlap in responsibilities between the different organizations. Despite any overlap, developers can primarily be associated with creation of housing, the Office of Housing can be associated with policy and funding and the Seattle Housing Authority can be associated with managing and owning. These concepts are best visualized in the diagram on the left.

A likely scenario, based on the discussion of partnerships and roles is as follows:

The Seattle Housing Authority can coordinate the identification of properties that are potential infill housing sites. These buildable lands can be vacant properties, parking lots or parcels where the building value significantly exceeds the land value. Working with land owners, the Seattle Housing Authority can coordinate with the Office of Housing in developing and using incentives for promoting affordable housing. The Seattle Housing Authority can either purchase these parcels and land bank them for future use or solicit developers for housing development

Coordination/Partnerships

- City government
- Community organizations
- Housing organizations
- Neighborhood businesses, organizations and institutions
- These responsibilities can primarily be held by the Seattle Housing Authority

Partnerships/Roles

The primary groups that will be or are currently involved with South Lake Union housing issues include the Seattle Housing Authority, City of Seattle Office of Housing, and various housing developers, including both non-profits and for-profits. These groups are supported by business interests in the neighborhood, as well as by multiple local and national programs and financing institutions. Having identified their major responsibilities, housing developers emerge as the best





Organization Matrix

Organization Name	Type	Associated Responsibility Types	Potential Role in SLU
Seattle Housing Authority	Housing Authority	PA, PM, C	Own and manage housing
King County Housing Authority	Housing Authority	C	Information
City of Seattle Office of Housing	Government	Pol, F, C	Administer funds and coordinate housing policy
Capitol Hill Housing Improvement Program	Non profit housing developer	PA, PD, PM	Develop and manage workforce rental housing
Housing Resource Group	Non profit housing developer	PA, PD, PM	Develop and manage workforce rental housing
Plymouth Housing Group	Non profit housing developer	PA, PD, PM	Develop and manage transitional housing
Archdiocesan Housing Authority	Non profit housing developer	PA, PD, PM	Develop and manage housing for homeless, elderly and physically and mentally disabled
Common Ground	Non profit housing developer	C	Provide support and consulting to other organizations for affordable housing
Lutheran Alliance to Create Housing	Non profit housing developer	PA, PD, PM	Develop and manage affordable rental and cooperative housing
Low Income Housing Institute	Non profit housing developer	PA, PD, PM	Develop and manage affordable housing for low income, disabled, elderly and homeless. Also provide support services to tenants such as training and referral
Artspace Projects, Inc.	Non profit housing developer	PD	Develop affordable housing for artists
Historic Seattle	Non profit housing developer	PD	Develop housing through preservation and rehabilitation
Homestead Community Land Trust	Affordable housing ownership program	C	Promote and coordinate affordable home ownership
HomeSight	Affordable housing ownership program	C	Promote and coordinate affordable home ownership
Vulcan Real Estate	Private development company	C	Significant land owner. Implement house-related incentives for employees.
University of Washington biotech companies	Institutional organization	C	Implement house-related incentives for employees.
neighborhood businesses	Private organization	C	Implement housing-related incentives for employees.
Enterprise Social Investment Corporation	Lender	F	Funding source
Federal Home Loan Bank of Seattle	Lender	F	Funding source
Homestead Capital	Lender	F	Funding source
Impact Capital	Lender	F	Funding source

Organizations Matrixproposals. The Office of Housing will be involved again at the policy level developing incentives that can be applied to the developments for construction of certain housing types, include affordable housing or implementation of preservation or sustainable practices. Upon completion of a development, the Seattle Housing Authority can partner with developers to manage the properties, with policy input from the Office of Housing.

In moving forward, it would be unrealistic, not to mention costly, to create a single organization that would oversee all housing responsibilities for South Lake Union. Rather, the neighborhood can benefit from a collaboration of different organizations that each have distinct characteristics and contributions to housing. These organizations must rely on each other to meet the neighborhood's future housing goals.

Diversity of Housing Affordability and Type

It is necessary to ensure an appropriate balance of market rate housing and affordable housing, as well as a variety of different housing types, for South Lake Union to evolve into a vibrant neighborhood. The focus of this section relies on the case study research of Seattle and other cities' abilities to create programs that provide for the betterment of the community in terms of housing. In order to make recommendations to the City of Seattle that promote more diverse housing, the housing group has developed an implementation strategy of picking and choosing from the case studies most applicable to South Lake Union neighborhood. Vital goals for the City to achieve include employee incentives, increasing affordability and home ownership, developer incentives, family housing, senior housing, preservation, sustainability, and multi-modal development opportunities.

Method

Initial research was broad and attempted to identify cities that have successfully implemented diversity and affordability programs. Programs that were most innovative, applicable and achievable were given more attention in our research. We then focused on different case studies from Seattle and other cities that illustrate these programs, and that promote the type of housing that is necessary to grow the South Lake Union neighborhood into a destination place and an urban center. The case study table format provides a user friendly way for those interested in particular topics to quickly gain access to research and ideas regarding South Lake Union (see Housing – Case Example, appended).

Also, a brief analysis was conducted on housing types given probable densities, and projected growth in the area. The model (see Housing – Illustration, appended) creates three scenarios of predominately low, middle, or high density housing types in South Lake Union. This model does not take into consideration current or planned zoning requirements, but instead is a cursory analysis that lends insight into the type of housing that the land area of South Lake Union could support, and the resulting population that could be housed given those housing types. Housing densities were estimated using information provided by the Urban Land Institute's *Residential Development Handbook*.

Affordable Housing

Housing is considered affordable when it consumes 30% or less of a household's income. Regardless of income level, housing is determined to be unaffordable if this threshold is broken. When looking at housing affordability, it is important to consider the range of incomes and how incomes affect the housing needs. In addition, income levels can be classified following way³:

- “Low-income household” is any household earning up to 80% of the Seattle median-income, as defined by the Federal Department of Housing and Urban Development (HUD)
- “Very low-income household” is any household earning up to 50% of the Seattle median-income
- “Extremely low-income household” is any household earning up to 30% of the Seattle median-income
- “Assisted household” generally means owner-occupied or rental housing that is subject to restrictions on rent or sales prices as a result of one or more project-based governmental subsidies

There are some obstacles to providing affordable housing; primarily these are regulatory, financial, and social. Excessive regulations may negatively affect the supply of affordable housing, such as some specific zoning regulations in South Lake Union. One concern regarding financial obstacles is that developers are inclined to build more expensive units, and allow the older housing stock to “trickle down” into lower price ranges, instead of creating affordable housing for that particular market. There are several ways to attract developers to provide more affordable housing, such as establishing a partnership between developers and government and providing more funding or incentives for developers. Finally, NIMBY-ism may occur when siting affordable housing. Therefore, attractive and innocuous affordable housing must be established early to allay concerns.



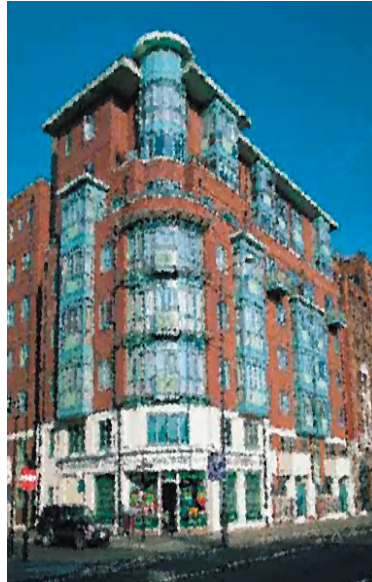
Affordable housing should be provided near places of employment, in designed growth areas, and in areas already developed. Since South Lake Union is projected to grow by 16,000 jobs and 8,000 households by 2024, an adequate amount of new housing should be built in South Lake Union so that the supply can suitably meet the demand that is expected over the next 19 years. To create more affordable housing, the local government, private sectors, and other organizations should consider housing in employment centers, reduce the costs of construction, and expand more housing affordability programs.

Developer and Employee Incentives

One way to combine employment and housing is to provide more housing near employment centers. The employment can stimulate the housing market, and the housing market can support the neighborhood businesses. The advantage of housing near jobs is the reduction of commuting time and reduced traffic congestion. Several case studies illustrate developer and employee incentives. Citizen Bank in Boston implements a home buyer assistance program to provide funds to employees to live near their work; Maryland Department of Housing and Community Development’s “Live Near Your Work” plan pulls funds from the State, from employers, and from local government to assist taxpayers in purchasing houses near places of employment. The most common developer incentives are tax exemptions and affordable housing incentive programs.

Housing Diversity

A brief analysis (see Housing – Illustration, appended) shows the potential housing types given the projected growth in the area. Utilizing the projected housing preferences of those expected to be employed in South Lake Union, it is recommended that a balance be sought between attracting families and homeowners, increasing densities, and providing enough units for the projected population. The data shows that higher housing densities are required to support the projected population for 2024. A diversity of housing types should be provided to create a



sustainable neighborhood that provides housing for those who work in the area. South Lake Union is encouraged to provide a mix of affordable and market rate housing types to accommodate the wide range of income levels and tastes. The encouragement of home ownership opportunities promotes a sense of community within a neighborhood.

Not only should affordable and family housing be developed in South Lake Union, but dwellings for seniors and the homeless should also be provided. Both senior and homeless housing are target groups with special needs housing. In addition, King County has passed a homeless continuum care plan to ensure a comprehensive approach to addressing homelessness. This program exists to provide support services that help people transition from homelessness to permanent housing. It is also intended to act as a safety net to prevent recipients from regressing back to homelessness. In homeless housing communities, the goal is not only to provide a place for living, but also offer job training, child and health care, and provide retail outlets that provide food and clothing. In addition, homeless housing should provide more intensive site management to facilitate better communication between communities and developers.



Preservation

The purpose of housing preservation/adaptive reuse is to preserve and expand affordable housing for low-income individuals and families. Several strategies can be employed to achieve affordable housing opportunities. Chief among these is technique assistance to local organizations, property owners, and housing developers through government, and financial negotiations among government, developers, and property owners. South Lake Union should encourage the preservation of existing low-income housing by providing housing programs and funds to increase the attractiveness of maintaining these particular buildings in their current function. Preserving this housing stock in South Lake Union would help foster a sense of community, promote economic development in the neighborhood, and decrease the amount of new development that would need to meet affordability goals by not having to build replacement housing.

Sustainability

The South Lake Union neighborhood has the potential to become a sustainable living area. Sustainable building merges sound, environmentally responsible practices to look at the environmental, economic and social effects of a built project as a whole. The entire life-cycle of the built environment is examined (planning, design, construction, operation and maintenance, and demolition or disassembly). To remain competitive and continue to expand and produce profits in the future, the building industry is learning to address the environmental and economic consequences of its actions. Mayor Nickels has made sustainability a priority within the entire Seattle region including South Lake Union. The Cascade Neighborhood Council (CNC) also envisions South Lake Union as a leader in embracing sustainability practices⁴.

This degree of sustainable awareness and presence in the South Lake Union neighborhood will bring new focus to the area as it will become a leader in green building and sustainability. Sustainability in housing can encompass green building, with LEED



Certified builders, the use of green roofs, recycled or alternative materials, solar energy, and energy-efficient appliances. Developing South Lake Union into an area where people actually do live and work is also an important aspect of understanding and integrating sustainability into the neighborhood.

Buildings have a profound impact on our health, economy and natural environment, using large amounts of energy and materials, while accounting for 30% of all waste in landfills. By building green, developers can mitigate these regional and global impacts, while saving money for themselves and their tenants.

Benefits to tenants and the building owner include:

- Reduced energy and water bills
- Reduced maintenance costs
- Better indoor air quality

Regional benefits include:

- Stormwater retention
- Better waste management
- Less pressure on aquifers and other fresh water resources

Global benefits include:

- Resource protection
- Better air quality and reduced emissions
- Slowing down climate change
- Growth in the market for recycled materials

In affordable housing developments, green building can alleviate certain problems particular to low-income residents. The improved indoor air quality resulting from a more rigorous selection of non-toxic building materials benefits the health of residents. Meanwhile, lower utility bills have the greatest value to low-income residents, who on average pay 25% of their post-rent income for basic services.⁵

Multi-Modal Development

The South Lake Union neighborhood has the potential to become an area focused around public transportation, and thus an ideal community that is helping to reverse detrimental environmental trends of single-occupancy vehicle (SOV) commuting and private auto use. This type of community also addresses sustainability and conservation. The first necessary step to achieve a multi-modal development is to provide a greater range of public transportation options for those that live and work in the area. The creation of the streetcar and having a light rail transit

stop will greatly enhance this type of development as it concentrates on compact residential and commercial mixed uses.

A great success story of this type of development is “The Crossings” in Mountain View, California. This project includes mixed-use development, the encouragement of redeveloping, renovating, and preserving older, obsolete commercial uses, narrow streets to foster a community safe sense of place, and a variety of housing ranging from townhomes, apartments, and single-detached with 15% of the units in the affordable price range. Three parks and a day care are also located nearby to provide necessary amenities for families. South Lake Union can become this type of thriving multi-modal destination area if there is a focus on public transportation within the community.

Recommendations

This report recommends that the City of Seattle Department of Planning and Development utilize a number of the incentives outlined in the case example table (appended) to ensure innovative development techniques for the South Lake Union neighborhood. Many of these incentives can and should be combined to create a diverse and affordable housing market, one that is necessary for the vibrant community envisioned for SLU.

Outlined below are the developer incentives that are already being employed in various parts of Seattle that should also be extended to the South Lake Union neighborhood to encourage greater affordability of housing units. It is the City of Seattle’s responsibility to educate and recommend that private developers use these incentives in order to preserve and increase the number of affordable housing units in SLU:

- Downtown Density Bonus Program – city permits increased density in return for a set aside number of housing units
- Property Tax Exemption Program – developers are exempt from the property tax if they provide a certain number of units for low and/or moderate income tenants
- Credit Enhancement Program – King County will provide a credit enhancement which will reduce financing costs for housing developments – either market rate of affordable developments. In exchange for project savings, the developer agrees to set aside affordable housing units within that particular project

- Transfer of Development Credits (TDC) program – consists of a “sending area,” where a reduction of the number of units are to be built in rural King County, and a “receiving area,” where the right to build those units is transferred to a new residential (mixed-use) project. The “sending” owner is paid to keep the land undeveloped, while the “receiving” owner buys the credit that allows additional development beyond what the zoning allows – these affordable housing units could have a preservation term of a specific number of years to ensure the preservation of affordable housing

Some other developer incentives that the City of Seattle Department of Planning and Development could consider would be to increase the number of affordable housing units in the South Lake Union neighborhood by decreasing the direct costs of development. These incentives include:

- Providing direct subsidies to affordable housing developers
- Expediting permit processing
- Financial incentives for land acquisition/donation to non-profit organizations

The City of Seattle should encourage more home ownership opportunities in order to promote a sense of community, to encourage investment in housing, and to minimize displacement of low-income residents due to gentrification of neighborhoods⁶. To achieve this goal, there are some land trust options that the City of Seattle should consider in order to provide a balance of rental units and ownership units:

- Homestead Community Land Trust in Seattle – a program that promotes affordable home ownership by taking the cost of the land out of the purchase price of a home. This could possibly be extended to proposed townhouse units in the South Lake Union neighborhood
- Citizens Bank Housing Community Program in Boston – to create neighborhood stability and lower costs for non-profit developers to build affordable units for home ownership. This type of program, in conjunction with the Office of Housing and real estate companies (in Seattle) could produce a consistent source of funding for non-profit developers to efficiently build affordable home ownership units

Another focus of the housing group is to attract families to SLU. By attracting families, a more diverse and sustainable community is created; one that is safer



and more vibrant which can buffer any swings in biotech. Using the Wayfinding Group's analysis of different amenities and convenience services within the South Lake Union neighborhood, it is apparent that the City of Seattle Department of Planning and Development should address the lack of schools, daycare facilities, community centers, grocery stores, and pedestrian-friendly access, as well as better and more public transportation options, to encourage families to move into the neighborhood. Whole Foods Market and a daycare, which are being built at the present time, will increase the attractiveness of the neighborhood for families, but more work will still need to be done to produce the thriving community foreseen in South Lake Union's future.

- In Vancouver, British Columbia, high-density housing for families and children was achieved by providing reasonable and effective access to essential community services and recreational amenities, which succeeded through discussion and implementation with the city, parks, schools, and other services to determine the capacity and/or existence of these needed family amenities. Seattle also needs to go through this process, using a wayfinding type of analysis to locate the best areas for family living, and thus, provide more apartment units (3-, 4-bedroom) or townhouses to increase the supply of larger sized units. These would need to be available once the amenities and other community services are designated and located within the community. Part of this analysis would need to consider the best overall densities and buildable lands that would encompass family living into the housing scheme in SLU.
- The City should look into creating a program that provides incentives for projects that include units with multiple bedrooms, perhaps a start could be to amend design guidelines to include specific residential design elements that could be attractive to larger households

A vibrant and sustainable community needs to have “eyes on the street” at all times of the day. This can be achieved in South Lake Union through both introduction of retail uses on the street level as well as the production of a variety of housing types. This will add to the neighborhood character and accommodate for diversity of lifestyles and family sizes. The creation of an Employer Incentive Program through the City of Seattle could achieve this type of prosperous community:

- An employer incentive program would be for city officials to reach out to major institutions within the South Lake Union area (University of Washington, Fred Hutchinson, incoming biotech corporations, banks, and

research facilities) to encourage them to offer home ownership assistance to their employees as an incentive to live close to where they work in the South Lake Union neighborhood, and in return the employer would receive a tax credit for employer contributions. The goal of this incentive program is the production of healthier lifestyles and the reduction of single-person transportation (addressing multi-modal development and sustainability of the neighborhood). This program is currently being proposed in Boston.

- “Live Near Your Work,” Maryland – is a program that encourages employees of MD businesses and institutions to buy homes near their work place. The state, employer, and local government each contributes \$1,000 of funds to be used for a down payment on a home or towards the closing costs associated with a purchase.

Additionally, this report recommends that the City of Seattle further utilize the strengths and capabilities of existing housing organizations. Rather than spending the time and resources to create a single new housing organization, it is wiser for existing, nearby organizations to collaborate to bring diversified housing to South Lake Union. As suggested by the discussion in the Housing Responsibilities and Organizations section, the Seattle Housing Authority can be associated with ownership and management, the Office of Housing can be associated with policy and administering funds and developers can be associated with building the housing. These groups will be supported by community development financial institutions as well as neighborhood businesses that can implement housing related incentives. This consortium of organizations can be an effective tool in meeting the housing needs of the neighborhood.



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- 3 *City of Seattle website*. 14 April 2005 <http://www.ci.seattle.wa.us/dpd/stellent/groups/public/@dpd/@plan/@proj/@compplan/documents/dpd_informational/cos_004495.pdf>
- 4 *City of Seattle website*. 14 April 2005 <<http://www.ci.seattle.wa.us/sustainablebuilding/overview.htm>>
- 5 *Global Green Online*. 11 May 2005 <http://www.globalgreen.org/pdf/casestudy_NuevaVista.pdf>
- 6 *City of Seattle*, Comprehensive Plan: Toward a Sustainable Seattle – Housing Element



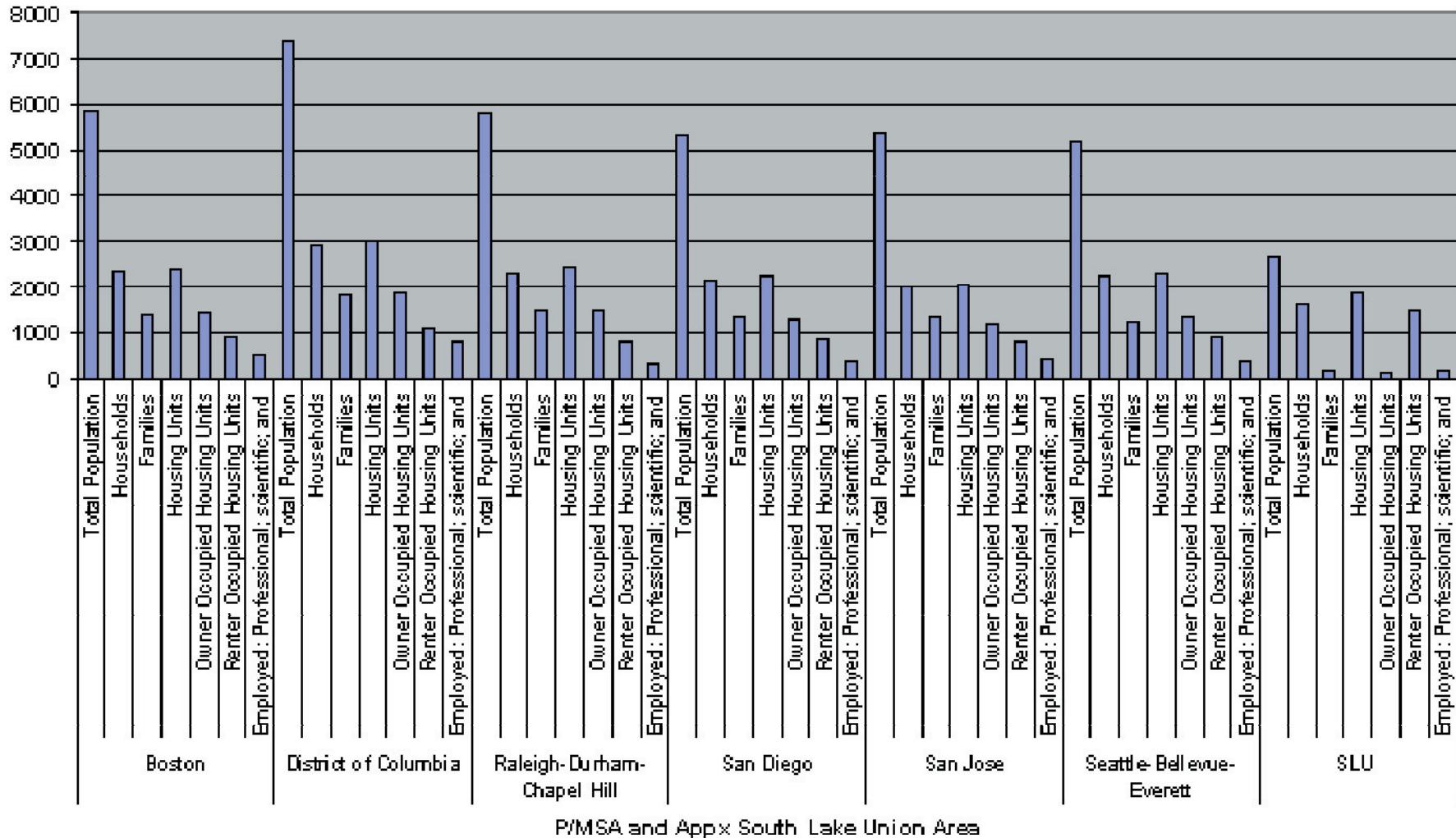
Appendix A

Housing Graphs and Tables



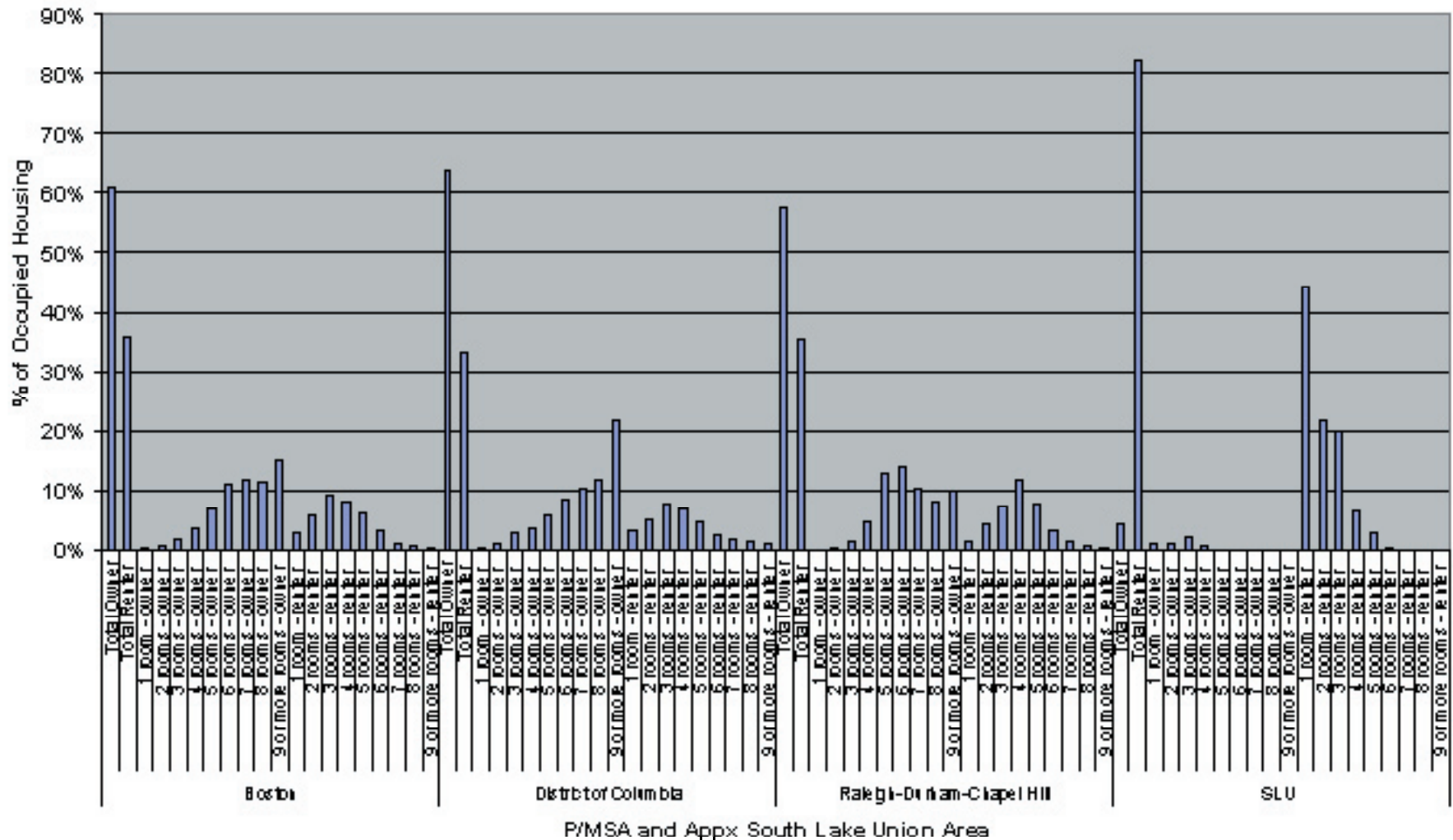
Housing – Graph #1

Housing & Population for Census Tracts Containing A High Population of Scientific, Professional & Technical Service Employees



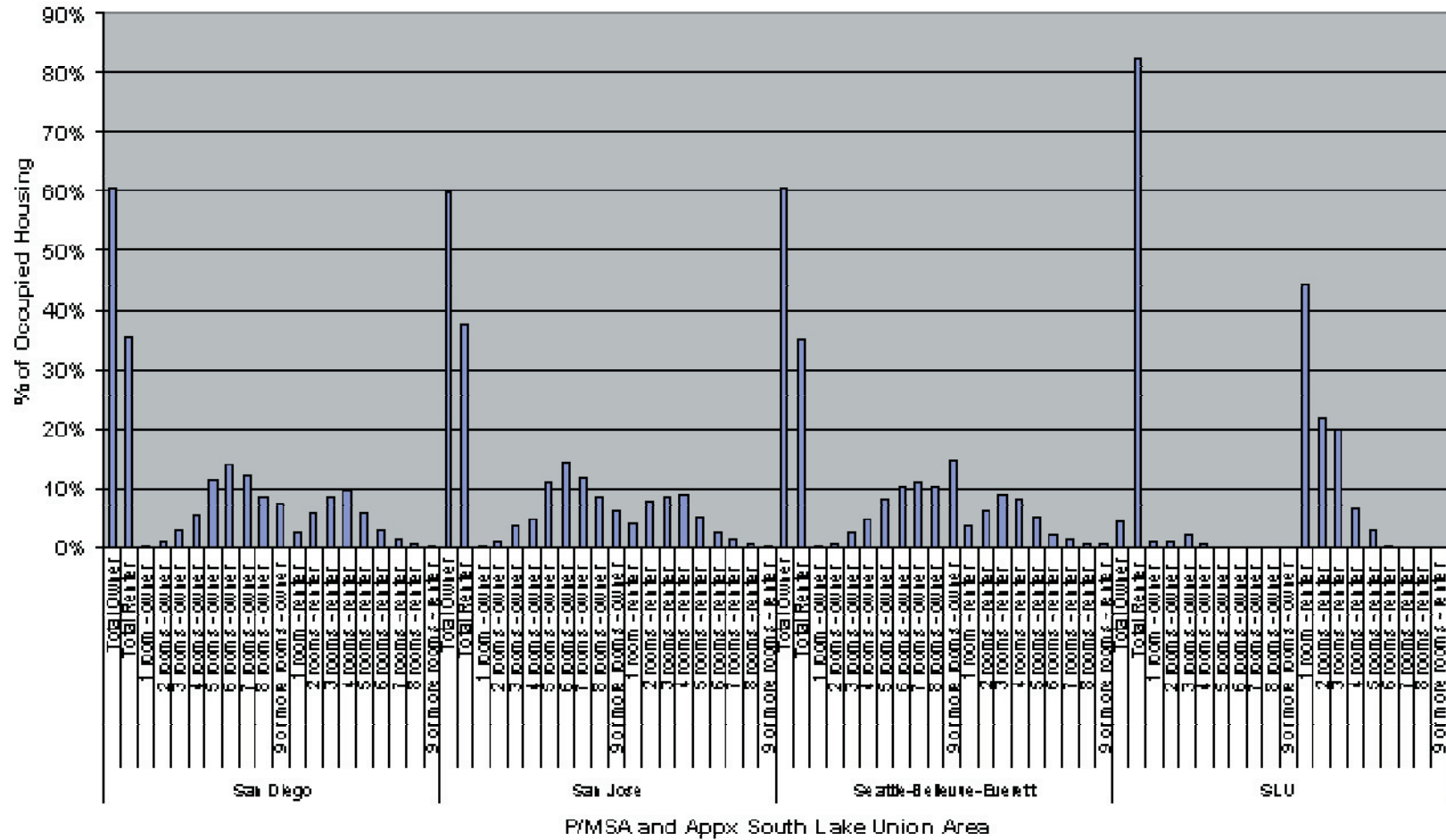
Housing – Graph #2

Rooms in Owner & Renter Occupied Housing for Census Tracts Containing A High Population of Scientific, Professional & Technical Service Employees



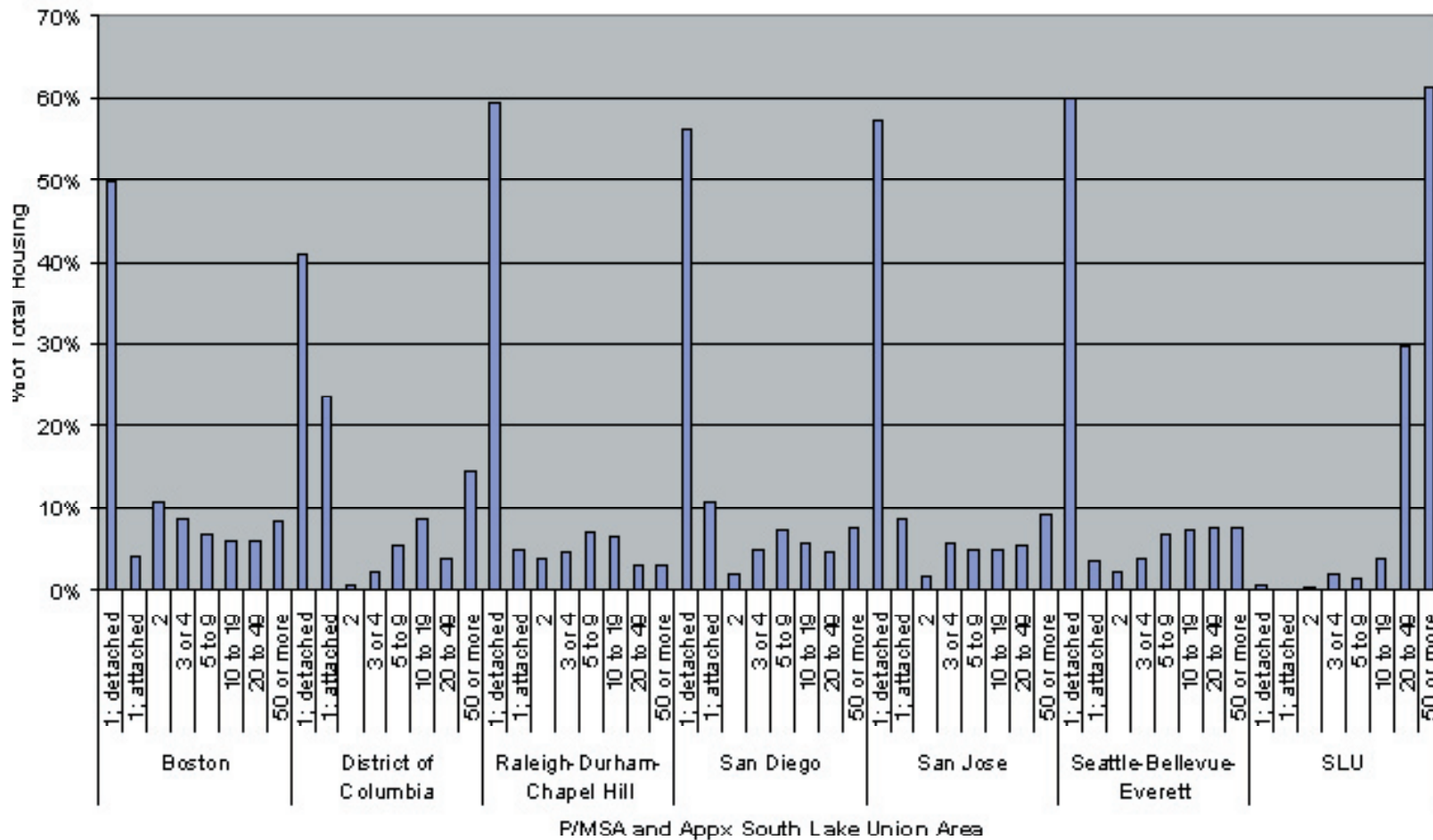
Housing – Graph #2 Cont'd

Rooms in Owner & Renter Occupied Housing for Census Tracts Containing A High Population of Scientific, Professional & Technical Service Employees



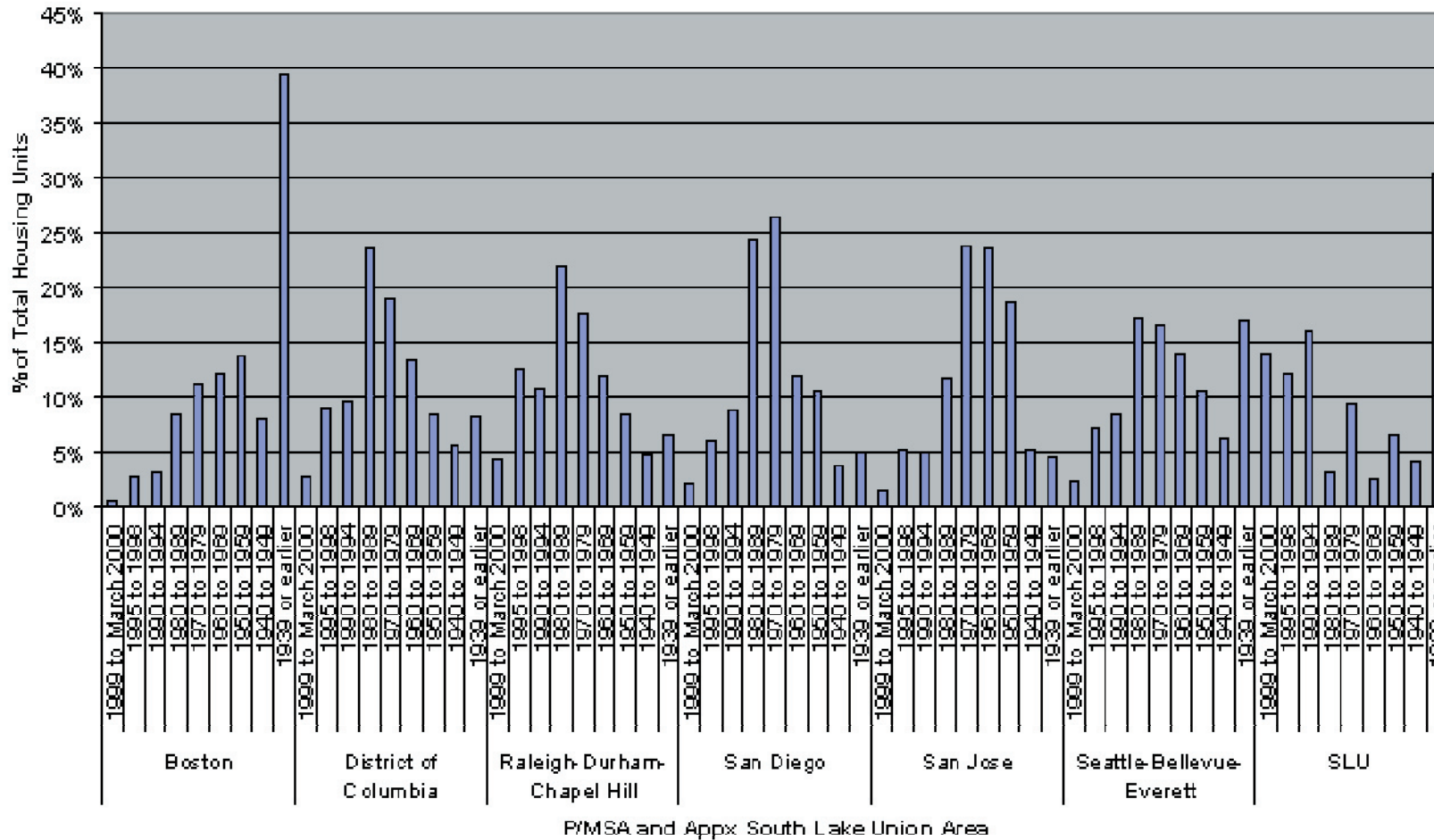
Housing – Graph #3

Housing Units in Structures for Census Tracts Containing A High Population of Scientific, Professional & Technical Service Employees



Housing – Graph #4

Year Built of Housing Units in Census Tracts Containing A High Population of Scientific, Professional & Technical Service Employees



Housing – Case Example Matrix

Employee Incentives

City	Name of Program	Goal of Program	Implementation
Boston	Citizens Bank home buyer assistance program	Provide funds to employees to promote living near work and neighborhood stability	5-year forgivable loan used for expenses associated with a mortgage
Maryland Department of Housing and Community Development www.op.state.md.us/smart-growth/lnyw.htm and www.smartgrowth.org/pdf/gettosg.pdf	“Live Near Your Work” pilot program	To encourage employees of MD businesses and institutions to buy homes near their work place.	State contributes \$1,000, employer contributes \$1,000, local government contributes \$1,000 for funds to be used for a down payment or towards closing costs associated with a purchase
Boston	Employer Incentive Proposal (not official yet)	City Officials to reach out to major institutions to encourage employee incentives to live near their work	Speak to major institutions (hospitals, colleges, banks, research facilities, Biotech) and get them to offer assistance to their employees as an incentive to live close to where they work, and in return the employer could receive a tax credit for employer contributions – producing the long-term goal of healthier lifestyles and reduction of single-person transportation
See TOD – Philadelphia (last page)			

Increasing Affordability and Home Ownership

City	Name of Program	Goal Of Program	Implementation
Orcas Island, WA	Opal Community Land Trust	Increase housing affordability	Reddick Apartments, Orcas Island WA, low-rent, year-round lease apartments and adjoining office space. The mixed-use development consists of four buildings; two reflect historic buildings which once stood on the property. Rental apartments range in size from 400 to 700 sq. ft. and rent for \$390 to \$650 per month.
Chicago	ACORN Housing Corporation	Increasing housing affordability and homeownership	Chicago housing development >10 homes that are acquired through multiple financing programs, refurbished by future owners, maintained through an OA , and allow sale price to appreciate consummate with inflation



Seattle http://www.homesteadclt.org	Homestead Community Land Trust	Promote affordable home ownership for MI 50%-80% - To create affordable housing by taking the cost of land out of the purchase price of a home	HCLT owns land and buyer will own the house. HCLT absorbs the cost of the land and continues to hold it preserving affordability. When the house is sold, a portion of the appreciation goes to the owner. Local control; dual ownership; preservation of investment of public and private resources; flexibility – provides access, affordability, assistance, and security. CLTs buy or receive gifts of property (need to determine available property in SLU to accomplish this) To create affordable housing by taking the cost of land out of the purchase price of a home
San Luis Obispo http://www.ci.san-luis-obispo.ca.us/communitydevelopment/download/affordin.pdf	Affordable Housing Fund	Create a funding source for affordable housing.	Collection of in-lieu housing impact fees for the use of creating affordable housing.
Marlboro, MA http://www.innovations.harvard.edu/news/4669.html	Owner incentives for affordable rental housing.		Under the program, owners of multi-family homes will be paid at least \$8,000 for each apartment they reserve as affordable housing for 15 years. Tenants would pay no more than 30 percent of their income for rent.
Seattle http://www.homesightwa.org/	HomeSight (OED funds them)	To promote the revitalization of neighborhoods through affordable housing ownership strategies	First-time buyer education, financial assessment, home buyer purchase assistance loans (low-interest deferred or amortizing), new home development, first mortgage underwriting
Boston	Citizens Housing Bank Community Program	To create neighborhood stability and lower costs for non-profit developers to build affordable housing units	Provides non-profit developers with low-cost funding necessary to create a new supply of affordable housing units for rental or homeownership – to increase neighborhood stability
Seattle	CoHo Team of Windermere Real Estate Agents	To provide diverse housing and improvement of communities	Real Estate Agents donate 1/3 of their commissions to the Seattle Foundation, who then distribute the money to the CoHo approved non-profit organizations that either develop affordable housing or utilize the money to improve the overall community

Developer Incentives

City	Name of Program	Goal of Program	Implementation
Seattle	Downtown Density Bonus Program	To construct or contribute funds towards affordable housing projects on- or off-site by allowing a developer additional FAR	City permits increased density in return for a set-aside of affordable housing units



Seattle	Transfer of Developable Rights (TDRs)	To encourage certain kinds of development	The owner of a public asset can calculate current FAR and allowed FAR and “sell” or transfer the difference (also known as development rights or air rights) as commercial square footage. Typically, this transfer runs with the land and the rights cannot be exercised again.
Seattle http://www.cityofseattle.net/humanservices/director/ConsolidatedPlan/housepubpolicies.htm	Property Tax Exemption Program	Developers exempt from tax if they provide a certain number of units for low and/or moderate income tenants	Housing developers in 9 “Community Revitalization” Seattle Neighborhoods can receive a 10-year exemption from property taxes simply by putting aside a certain number of units in their buildings for low and/or moderate income tenants.
Los Angeles	Affordable Housing Incentive Program	Specific building standards and land use regulations available to encourage housing production particularly that of low-income populations.	Projects of 5 or more units are entitled to a 25% increase over the number of units otherwise permitted by the underlying zoning in exchange for including affordable units within the project. Projects that include affordable units are also eligible for reduced parking requirements. For projects in close proximity to transit stops a density increase of 35% is available.
Seattle (King County)	Credit Enhancement Program	Relatively new initiative to assist in the development of affordable housing	King County will provide a credit enhancement which will reduce financing costs for housing developments -- either market rate or affordable developments. In exchange for project savings, the developer agrees to set aside affordable units within the project.
San Luis Obispo http://www.ci.san-luis-obispo.ca.us/communitydevelopment/download/affordin.pdf	Affordable Housing Incentives	Developer incentives to provide affordable housing	Provide density bonuses on existing structures when they are converted from apt to condo, on the condition that a corresponding number of units are offered to low income individuals and families. Good for addressing affordable ownership.
San Luis Obispo http://www.ci.san-luis-obispo.ca.us/communitydevelopment/download/affordin.pdf	Affordable Housing Incentives	Developer incentives to provide affordable housing	Miscellaneous incentives developer include: <ul style="list-style-type: none"> - Waive app and processing fees - Waive utility connection or meter installation fees - City funded improvements such as streets, sidewalks or utility lines - Relaxed parking requirements (also LA) - Direct subsidy of construction costs or construction financing costs - Approval of exceptions to subdivision or zoning property development standards



King County WA	Land Assembly	Absorb cost of land acquisition for developers in exchange for providing affordable housing.	This involves a public agency buying one or more parcels to create a larger, more developable parcel under single ownership, and then reselling or creating a long term ground lease with a private developer. Land write-downs involve the added step of the agency absorbing some of the cost of buying the land, so that when the land is resold to the private developer, the price is lower than the market rate or the payments are deferred to minimize the cost to the private developer. Land write-downs can be a powerful incentive to developers who otherwise will not take the risk of developing because of the large up-front cost of purchasing land, which can be as much as 25-40% of total project costs. This can be especially applicable to SLU with such organizations as Vulcan who already own many parcels of land in the neighborhood.
San Francisco	Housing Strategies Policy	Reducing the direct costs of development	<ul style="list-style-type: none"> -Rezoning land use to increase supply of land available for housing -relaxing Floor-to-Area (FAR) restrictions -increasing height and density allowances -providing direct subsidies to affordable housing developers -altering parking requirements -maintaining consistency for development fees -changing building codes to allow for new, cheaper materials
		Miscellaneous incentives from various places.	<ul style="list-style-type: none"> - Expediting permit processing - Setback requirements reduced - Financial incentives for land donations to non-profit organizations - Identifying qualified buyers and renters - Rehabilitation low interest rate loans - Reduction in property taxes

Family Housing

City	Name of Program	Goals of Program	Implementation
Vancouver, BC http://vancouver.ca/commsvcs/guidelines/H004.pdf	High-density housing for families with children	To provide reasonable and effective access to essential community services and recreational amenities	Discussions need to be held with the city, schools, parks to determine capacity/existence of community amenities



Madison, WI	Single Family Rent-to-Own Program (A partnership of Urban League of Greater Madison, US Bank, and Wisconsin Affordable Housing).	To help larger, low-income families obtain homeownership based on self-sufficient economy.	Families can have the affordable rent to purchase the home at the end of the rental period. The rental rates in this program are less than the market rates, In addition, benefits of residents are not only value appreciation, but also lower rates, no down payment, and a newly remodeled home.
Vancouver www.concordpacific.com	Concord Pacific Place	To provide amenities to attract families	The development has a school, a community center, several parks, 2 marinas, is adjacent to Yale Town and is flanked by the sea wall trail which continues around the perimeter of downtown Vancouver along the water. An interesting note - many of the condos have been sold as investment properties and have been rented out to ethnically diverse families who otherwise wouldn't have been able to afford the neighborhood.

Senior Housing

City	Name of Program	Goals of Program	Implementation
San Francisco http://www.spur.org/topics.asp?Topic=Housing	Senior Housing Task Force	To fix the barriers in various codes to make it easier to provide senior housing	Modify the planning, building, health, and fire codes to prevent a shortage of senior housing
Vancouver	Abbeyfield Houses of Vancouver Society	To provide seniors who want to live independently an affordable, small-scale, and family-style home.	The program is a registered non-profit organization which is comprised of volunteers to take care of the management. In addition, residents come from all backgrounds, and regular activities are scheduled monthly.
Burnaby	Assisted Living Program	To provide personal care services and hospitality services in a private housing unit.	A new option for care in an apartment setting, and it fits in between home care and facility-based complex care.
Lynchburg, VA	Traditional Neighborhood Development (TND)	To encourage self-contained neighborhoods	Provide mixed housing types and diverse populations who do not want to be isolated or inactive. Creating a livable type of neighborhood for senior citizens: diverse, walkable, sociable, independent, and safe.



Homelessness

City	Name of Program	Goal of Program	Implementation
San Francisco http://www.spur.org/topics.asp?Topic=Housing	Homelessness Task Force	To resolve the homelessness problem in the city by providing housing and treatment for everyone who needs it – solving the problem	“care not cash” measure; increasing availability of residential housing rooms; increasing supply of supportive housing; establishing realistic rules of conduct in urban public spaces; facilitating better interdepartmental coordination of homeless services
Seattle	Santos Place for Transitional Housing	To provide transitional housing for homeless individuals. Residents in Santos Place may live for up to two years.	There are total 42 studio units, and residents must be homeless by HUD definition and must meet low-income qualifying program. Income must be at 30 percent or below area median-income.
San Diego	Del Mar Apartments	To provide a permanent and multifamily rental housing for homeless people and those who are severely mentally ill.	The community service in this project included educational programs, such as oil painting classes, computer instruction classes, some field trips, and monthly guest speakers; in addition, these educational activities are expected to help residents develop more job skills.

Multi-Modal Development

City	Name of Program	Goals of Program	Implementation
Portland http://49web.uncc.edu/~afcollin/andrewcollins.htm	Orenco Station case study	To reduce auto dependency and to create compact residential development and to foster mixed land uses	206 acres of developable land – 60 % residential (equal mix of single-family and multiple-family units), yet not very affordable.
Mountain View, CA http://www.abag.ca.gov/planning/lut/lutd.html	“The Crossings” which implements the San Antonio Station Precise Plan, Mountain Plan	To direct commercial and residential development around the station and encourage redevelopment of older, obsolete commercial uses	“The Crossings” – development project: mixed-use project, residential parking located to the rear or under housing and houses include front porches. Streets only 28-feet wide. Variety of housing: townhomes, apartments, and single-detached. 15 % of the units are affordable. 3 parks and 1 daycare center are nearby.



Philadelphia http://www.dvrpc.org/planning/community/tod/newsletter/TransitNews7.htm	TOD: The Commuter Choice Leadership Initiative	Launched by the EPA and DOT, a new voluntary business-government partnership to encourage TOD development	To reverse detrimental environmental trends - Commuter Choice encourages employers to provide top-of-the-line commuter benefits (transit subsidies, incentives for living closer to work, and establishing work sites closer to employees' homes. Participating employers earn designation of Commuter Choice Employer and receive commendations for the EPA Administrator and the Secretary of Transportation, as well as free publicity = leaders in improving their community's quality of life.
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Preservation

City	Name of Program	Goal of Program	Implementation
Seattle	DNDA – Three Projects / One Community	To renovate and revitalize the Old Cooper School in the Delridge Neighborhood	Create a capital campaign to provide affordable artists' lofts, education community opportunities, thus encouraging more stability in the neighborhood and benefits for all. Federal funding, state funding, private donors, fund-raising parties, loans, and grants
Pittsburgh, PA	History and Landmarks Foundation	To provide short-term loans and technical assistance to community-based non-profit developers	Managing a revolving loan fund that enables the purchase and restoration of historic properties, through non-profit developers, that are then sold to low-and-moderate- income levels.
Berkeley, CA http://www.ciwmb.ca.gov/GreenBuilding/CaseStudies/Homes/Adeline.htm	Adeline Street Urban Salvage Project	Mixed-Use Infill Redevelopment	Maintains and enhances original house by using salvaged material and restructuring of space – ecological design, commitment to recycling and reuse, high standards of energy-efficient design, sustainable materials, “internal” recycling

Sustainability

City	Name of Program	Goal of Program	Implementation
Santa Cruz, CA http://www.globalgreen.org/pdf/casestudy_NuevaVista.pdf	Nueva Vista	Affordable housing incorporating green features with a limited project budget	Project offers very low- and low-income residents who work with tourism and agriculture sectors affordable housing. Green feature concepts get political support from the Council – includes energy saving, reduced parking, low impact heaters, resource conservation, and renewable energy.
Portland, OR http://www.sustainableportland.org/	Douglas Meadows	Affordable housing project exceeds green goals	One of the cities first efforts to fully incorporate green building techniques into a small affordable housing project – emphasis on creating a family and community environment: optimizes site characteristics, energy efficiency, public transportation, passive solar design, alternative materials



Cambridge, MA http://www.eere.energy.gov/buildings/highperformance/case_studies/overview.cfm?ProjectID=82	Cambridge Cohousing	Infill residential project – 41 units, communal facilities, childcare, recreational facilities, library, shared gardens	Focused on site, transportation, energy, material use, indoor air quality, economics, human health, open space preservation, natural ventilation, efficient appliances, and durability for design of site.
Oakland, CA http://www.greenresourcecenter.org/CaseStudies/RCD_Northgate_Apts.pdf	Northgate Apartments	“smart growth” infill with Green Building techniques – family size affordable housing with close proximity to BART station, shopping, schools, health facilities	Central courtyard that buffers site visually and acoustically from freeway, ground and roof landscaping, no vinyl, durable materials, sustainable resources, good indoor quality, car share space, electric car charge station, EnergyStar appliances, and linoleum flooring.

