

SMART GROWTH & EQUITABLE DEVELOPMENT:

URBAN REVITALIZATION AND ASIAN/PACIFIC COMMUNITIES NEAR CENTRAL DOWNTOWN CORES

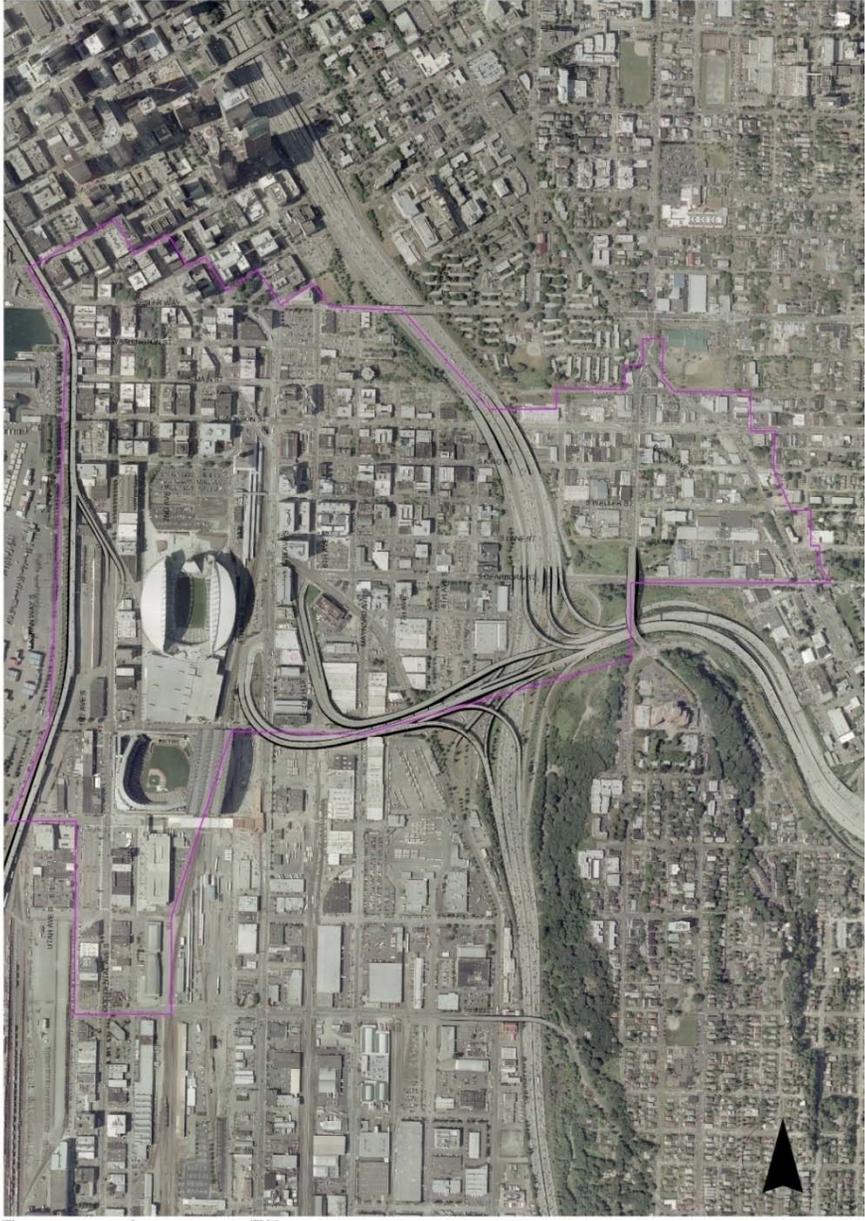
A SEATTLE CASE STUDY

SEATTLE'S INTERNATIONAL DISTRICT
(CHINATOWN, JAPANTOWN, LITTLE SAIGON)



To see all the details that are visible on the screen, use the "Print" link next to the map.





South Downtown and Surrounding Area

**HUD SUSTAINABLE COMMUNITIES INITIATIVES
6 LIVABILITY PRINCIPLES**

SECRETARY DONOVAN (6/16/09)

The first principle – *Providing More Transportation Choices*

addresses our need to expand the options available to American families, whether commuting to work, dropping children off at school, or running errands. It is no secret that providing safe, reliable and affordable transportation choices is essential to making a home livable.

The second principle – *Promoting Equitable, Affordable Housing*

A livable community must be both equitable and affordable. Livability is about more than just being efficient – we must also be inclusive.

In order for our neighborhoods to thrive, our regions to grow, and our nation to prosper, we must support communities that provide opportunities for people of all ages, incomes, races and ethnicities to live, work, learn and play together.

The third principle – *Increasing Economic Competitiveness*

pinpoints the need to coordinate housing, transportation and environmental policy to make us more competitive and productive. Our nation's ability to compete in a global economy is dependent upon how quickly and efficiently we can connect our labor force to education and employment opportunities. That mission depends on efficient housing and transportation patterns that ensure the timely delivery of goods and services.

The fourth principle – *Supporting Existing Communities*

identifies the need to support community revitalization, build upon existing public investments, and preserve our nation's rural land.

The fifth principle – *Expanding Partnerships and leveraging Investment*

focuses on increasing the effectiveness of American government at all levels. We want to boost the capacity of local communities to more effectively plan for future growth, by addressing housing, transportation and other critical issues through coordinated work, and support the ability of local communities to think and act regionally.

Finally, the last principle – *Valuing Communities and Neighborhoods*

brings the entire effort together. We must ensure that federal investments support cohesive, safe, healthy and walkable communities, whether in cities, suburbs, or rural areas. Research shows that people who live in walkable communities are more active and less likely to be overweight, thus improving their health.

PLANNING TOOLS FOR SMART GROWTH

WASHINGTON STATE:

GROWTH MANAGEMENT ACT (GMA)

SEATTLE:

SEATTLE COMPREHENSIVE PLAN (PER GMA)

SEATTLE CONSOLIDATED PLAN (HUD)

SEATTLE ZONING CODE

NEIGHBORHOOD PLANS

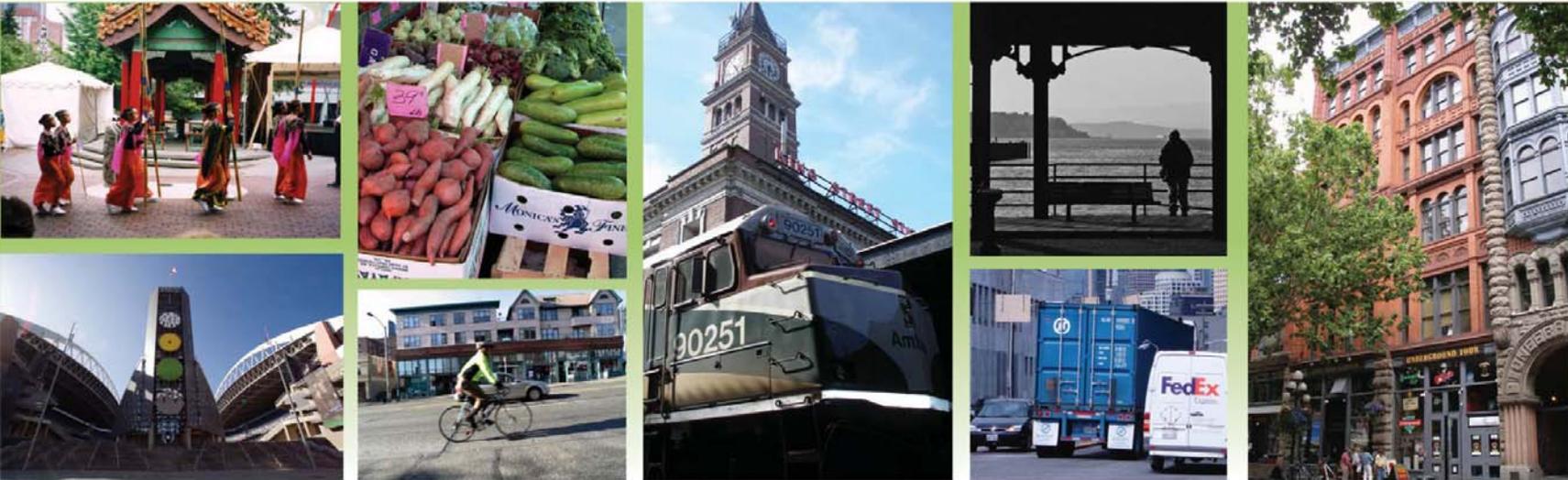
ISSUES:

- DO THESE PLANS REFLECT THE PRINCIPLES OF SUSTAINABLE COMMUNITIES?
- ARE THEY ENFORCEABLE OR ASPIRATIONAL , (IF NOT INSPIRATIONAL)?
- WILL THEY ACHIEVE DESIRED OUTCOMES IN REALITY IN THE REAL ESTATE DEVELOPMENT MARKET PLACE?
- HOW CAN SIGNIFICANT GROWTH SUPPORT & NOT DISPLACE THE EXISTING COMMUNITY FABRIC?

LIVABLE SOUTH DOWNTOWN PLANNING STUDY

EXECUTIVE RECOMMENDATIONS

December 2009



City of Seattle
Greg Nickels, Mayor
Department of Planning & Development
Diane Sugimura, Director

Livable
South Downtown
—a project of the Mayor's Center City Seattle strategy



LIVABLE SOUTH DOWNTOWN PLANNING STUDY GOALS

- Stimulate housing and jobs through changes to land use regulations;
- Respect neighborhood plans and neighborhood character, including historic resources;
- Promote an integrated mix of uses;
- Support connections between neighborhoods;
- Encourage economic vitality and environmental sustainability; and
- Accommodate regional services and ensure they align with the goals of the local community.

Specific objectives to accomplish through the project include:

- Evaluate development opportunities and constraints, particularly with regard to housing and jobs;
- Identify desired development character;
- Recommend and implement City land use action to support emerging residential/ employment communities; and
- Recommend public and private investments that will contribute to a well-balanced community in South Downtown.



A SHORT HISTORY OF SOUTH DOWNTOWN

South Downtown has been shaped by its location at the crossroads of industry, culture and the natural environment. Here, Seattle celebrates its earliest history, first as the location of tribal villages along rich tidelands of Elliott Bay and the Duwamish River, and later as a pioneer town with a booming timber industry. As South Downtown developed in the early 19th century, it soon became a center for Seattle's earliest trade within the region and throughout the world. Chinese and Japanese communities flourished in the late 19th century as Asian workers helped build Seattle's growing industrial base and the nation's rail system.

By the early 20th century, many Filipino people worked in fishing trades on a seasonal basis, and Jackson Street near 12th Ave. South began to develop as a thriving African American cultural scene marked by after-hours jazz clubs. More recently, Vietnamese and other Southeast Asian entrepreneurs established a strong presence east of Interstate 5, where a vibrant business community is thriving today.

In the mid-20th century, South Downtown was bisected by Interstate 5, and was also affected by the State Route 99 Alaskan Way Viaduct's construction. The Kingdome was constructed from 1972-1976, introducing Seattle to its first regional sports venue and inspiring the establishment of the Pioneer Square and International District Special Review District in response to potential stadium impacts. This was followed by demolition of the Kingdome in 2000 and the construction of Safeco Field, Qwest Field and the associated exhibition center, all bringing new visitors to the area.

Over the past several decades, the economic fortunes of South Downtown have risen and fallen with the city's growth and employment trends. In recent decades, land values and private investment in South Downtown have at times stagnated while other areas of Downtown have experienced more growth and change. The resultant affordable cost of rental space close to Downtown provided an ideal location for numerous small businesses, non-profit organizations, art galleries and organizations, and human service operations.

In the late 1990s, the Pioneer Square and Chinatown/International District neighborhoods developed neighborhood plans that called for more residents, opportunities for employment, investments in public safety, and services that provide a balance between regional uses and neighborhood needs. In early 2004, several property owners identified future development opportunities in South Downtown that could potentially meet the intent of the neighborhood plans and Seattle Comprehensive Plan.

In response to neighborhood and community interest in future development, the Mayor asked the Department of Planning and Development to begin evaluating potential land use actions to support re-investment in South Downtown and improve the "livability" of the area. Thus, the Livable South Downtown Project commenced in 2005.

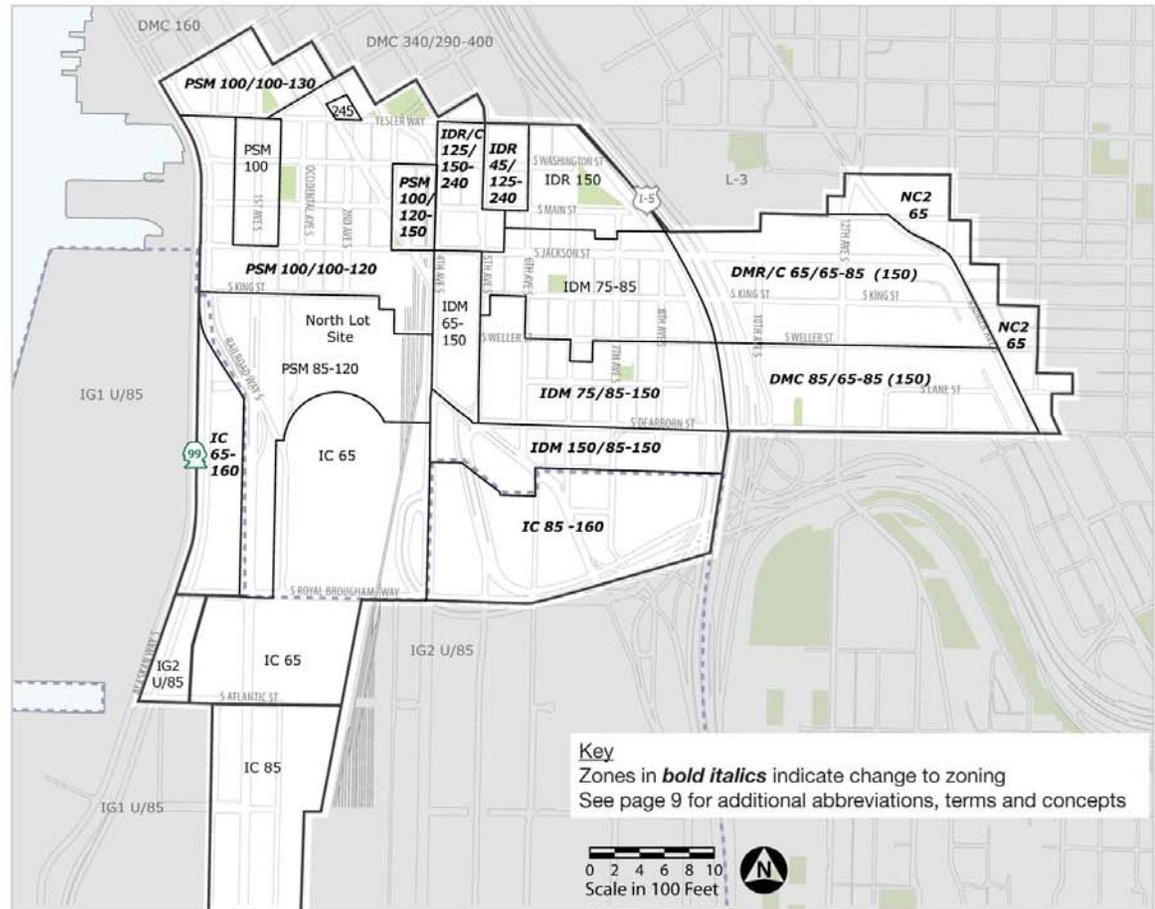


Pioneer Square Totem Pole, 1899

SOUTH DOWNTOWN PROPOSED ZONING: INTERNATIONAL DISTRICT PIONEER SQUARE DUWAMISH INDUSTRIAL AREA / STADIUM DISTRICT

A LOOK AT PROPOSED ZONING

The pages that follow provide sub-area descriptions of land use recommendations. The map to the right illustrates recommended zone designations and proposed height limits. A map of existing zones can be found in the Appendices, on page 104, of this report. Several terms and land use concepts are referenced throughout this document. They are described on the following pages.



CHINATOWN/INTERNATIONAL DISTRICT

Amendments are recommended to the International District Mixed (IDM) zone in the area of Chinatown/I.D. located generally south of S. Main Street, east of 4th Avenue S. and west of Interstate 5.

CHINATOWN/INTERNATIONAL DISTRICT NEIGHBORHOOD AND SPECIAL REVIEW DISTRICT (ISR D)

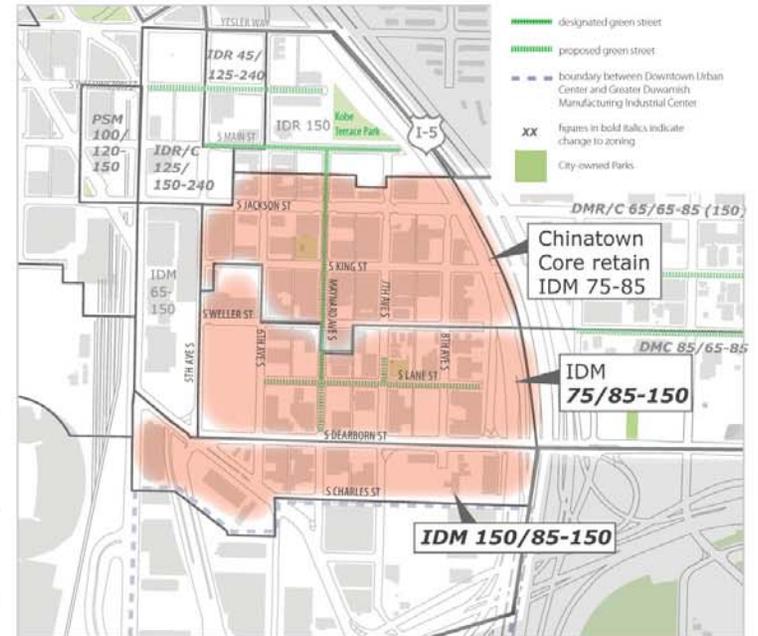
The Chinatown/I.D. neighborhood is a unique historic and cultural treasure. The Chinatown/I.D. Strategic Plan (neighborhood plan, June 1998) describes the district as follows: "We are a community characterized by a sizable elderly population, significant low-income households, and a large number of affordable housing units. We are primarily small businesses as well as social service and community development organizations. We are a delicate social connection for many elderly. We are a regional hub for Asian-Pacific American commerce and culture."

The neighborhood plan identifies many challenges and assets: anticipated increases in population and housing costs, the impacts of nearby sports stadiums, public safety concerns, and small business and cultural vitality.

Goals from the Neighborhood Plan Chapter of the Comprehensive Plan for Chinatown/I.D. include:

- Thriving businesses, organizations, and cultural institutions;
- A neighborhood with diverse and affordable housing;
- Rehabilitation of substandard and vacant buildings;
- Create safe and dynamic public spaces;
- An accessible neighborhood, with access within and to the neighborhood, for all transportation modes, while encouraging less dependence on cars and greater use of transit, bikes and walking; and
- Seek to reduce auto congestion at key intersections.

Recent City and community investments provide important amenities for future residents. These include the acquisition of a one-quarter block parcel to expand Hing Hay Park, and the recent construction of the Chinatown/International District Community Center and library near the intersection of S. Dearborn Street and 8th Avenue S.



The City is also moving forward on programs to facilitate cleaner, safer alleys in Chinatown/I.D., and allow more liberal use of sidewalks by merchant vendors.

JAPANTOWN

Japantown

All new development above base allowable height and density must meet affordable housing bonus requirement

Ensure light and air access and protect views from Kobe Terrace Park and Danny Woo Garden

In IDR zones, limit coverage of lot area for upper stories

In IDR/C zone only residential uses allowed above 125' up to 240' Unlimited residential density subject to bulk controls

Encourage green roofs and other low impact development technologies

Designate S. Washington St. as Green Street with "park-like" street edges created as part of new development

Require parking to be underground with access from alley, where possible

Note: Tall buildings will be predominantly residential on upper floors. Greater flexibility for taller commercial buildings in the IDR/C zone as compared to the IDR zone.

In IDR zones, buildings with a taller base must have a slimmer tower



In IDR zones, require 60' separation of buildings taller than 120'

In IDR zones, limit maximum width of building stories above 85' high

On Main Street between 5th & 6th Avenues, require retail uses on ground floor

Retain special review district parking location and screening standards

Along east/west and Green Streets require 16' building setbacks at 65' height

Encourage hillside terraces as part of new development to assist people ascending steep slopes

Require buildings to be modulated and set back in a manner that supports pedestrian-oriented streetscape character

Designate S. Main St as Green Street

This depiction is presented for illustration purposes only. White structures depict existing buildings **MAKERS**

Chinatown/International District Historic Core

Children's Park depicted

Historic TDR/TDP will allow transfer of development capacity to encourage renovation and upgrades of historic buildings

Retain incentives for residential use

Retain boundaries and requirements of the National Register Historic District, Asian Design Character District, Retail Core District, and ID Special Review District



S. Lane Green Street

Maynard Green Street

Require street-level pedestrian uses and amenities

Hing-Hay park expansion depicted

Retain 85' height limit in scale with existing historic buildings

This depiction is presented for illustration purposes only. White structures depict existing buildings **MAKERS**

Chinatown/International District: South of S. Weller Street Area and South of Dearborn Blocks



LITTLE SAIGON

Little Saigon - View of S. Jackson St.

Neighborhood

Character and Design

- Sidewalk displays of merchandise legally allowed
- Building setbacks at 45' to establish neighborhood scale street environment
- Most buildings up to 85' in height
- Shape upper-level bulk of buildings
- Neighborhood design guidelines recommended

Mixed-use Neighborhood

Up to 4 FAR of commercial density allowed; limit size of retail to 25,000 s.f. or 50,000 s.f. for grocery stores

"Main street" pedestrian-oriented designs and retail uses required along S. Jackson Street and along 12th Ave S. between S. Main and S. King Streets.



Planning for Yesler Terrace, including open space connections to Little Saigon currently taking place

Hill climb to Yesler Terrace Field and Yesler Community Center suggested

New open space with larger residential development projects:

On larger lots, allow height up to 150' for residential/mixed-use projects that incorporate a mid-block corridor open space amenity and participate in incentive zoning programs.

Add open space and green elements

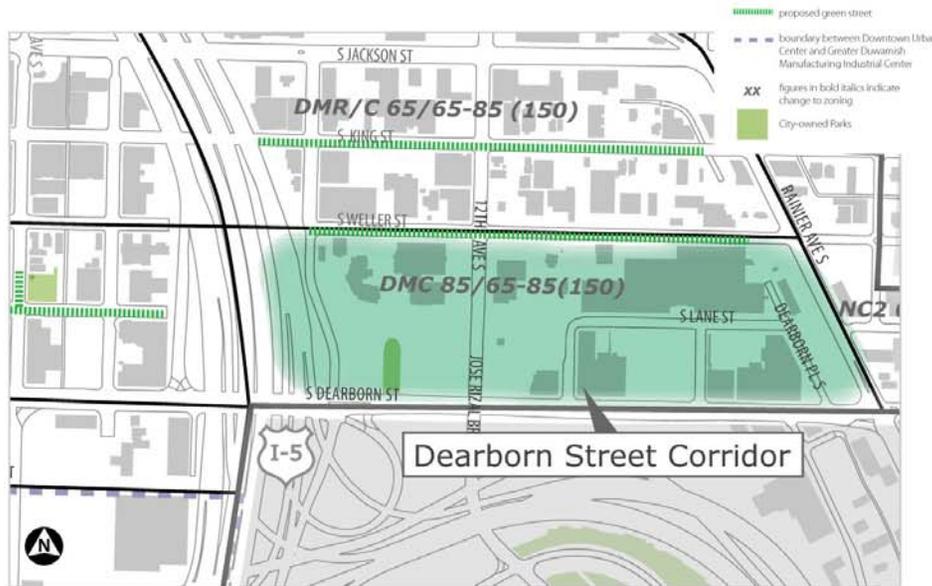
- Mid-block corridor open space public amenity program
- Encourage park-like "green street" improvements along S. Main Street
- Other open space public amenities an option for projects participating in incentive zoning options

This depiction is presented for illustration purposes only. White structures depict existing buildings **MAKERS**

DEARBORN CORRIDOR

This chapter addresses the area of land south of Little Saigon, east of Interstate 5, north of S. Dearborn Street, and west of Rainier Avenue S.

Property in this area is significantly sloped as result of the Jackson Regrade which removed nearly 108 feet in height of earth from First Hill-Beacon Hill between 1907 and 1910. South Dearborn Street defines the southern edge of this area and carries significant vehicle volumes, including freight and



delivery trucks traveling between Interstate 5 and the Rainier Valley. Seattle Department of Transportation is engaged in planning improvements for S. Dearborn Street. The Jose Rizal Bridge provides passage for 12th Avenue S. to and from Beacon Hill. Interstate 90 is located immediately south.

EXISTING ZONING

East of the Jose Rizal Bridge, current zoning is Industrial Commercial (IC 65). The area includes office, light industrial, single family and sales uses. Seattle Goodwill Industries owns several large parcels that are the former site of a proposed large mixed-use/shopping center project that was abandoned due to economic uncertainties, in the first quarter of 2009. A contract rezone was approved for these properties contingent upon implementation of the development project. Without the project, zoning will revert to the underlying IC 65 zone.

West of the bridge, adjacent to Interstate 5, the area is zoned general Commercial (C1 65). To the north of the undeveloped S. Lane Street right-of-way, over 100,000 square feet of land is home to affordable housing and social service uses. A steep slope south of S. Lane Street includes Seattle Parks Department vacant property, undeveloped right-of-way, and privately owned vacant land.

Like the DMR zone, the DMC zone to date has been applied only around the edges of the Downtown office and retail cores. For this reason, the rezone criteria for the DMC zone are recommended to be amended in addition to new FAR limits for this area.

A description of existing zone designations can be found on page 59 of this report.

The ID Community Response

Vision 2030 Coalition

- Throughout the City's Livable South Downtown Planning process, a coalition of community groups worked within the community to develop consensus on community development goals and to analyze & provide input to the City through this process.
- The Vision 2030 Coalition developed a set of recommendations to help the City identify equitable outcomes that are sustainable not just for the region, but for the community. Much is left to be done.



THE LIVEABLE SOUTH DOWNTOWN PLANNING STUDY

The City of Seattle's Livable South Downtown Planning Study was initiated to study potential land use and zoning changes to encourage investment and vitality in South Downtown neighborhoods.

The Study follows Seattle's Comprehensive Plan goals to promote residential and employment densities within walking distance of public transportation, while maintaining and enhancing Seattle's character as the city grows and changes.



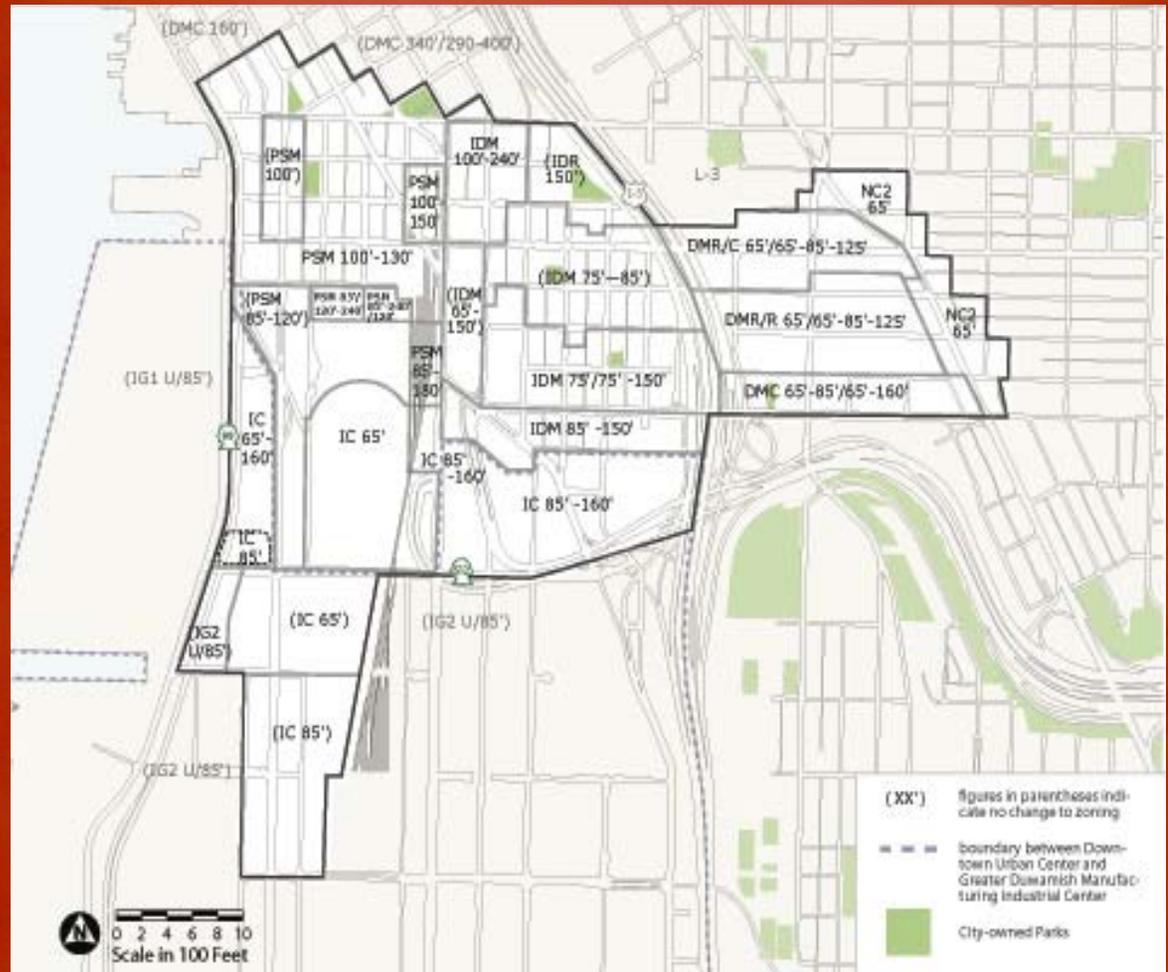
THE LIVEABLE SOUTH DOWNTOWN PLANNING STUDY

South Downtown includes areas within the Downtown Urban Center:

- Chinatown / International District
- Greater Duwamish Manufacturing and Industrial Center
- Japantown
- Little Saigon
- Pioneer Square
- Stadium District



Livable South Downtown Zoning Map





VISION 2030 Coalition

One unified vision from within

In response to the Livable South Downtown Plan, the Community collaborated for three years to develop a shared, comprehensive vision for the District, called Vision 2030.

In sum:

The City needs to develop the appropriate tools to support livability, housing diversity and economic stability & growth within the neighborhood.



Identified Neighborhood Goals & Priorities

The Vision 2030 Coalition identified four goals for our neighborhood:

1. Balanced Housing Development
2. Small Business Recruitment and Retention
3. Enhanced Public Spaces and Healthy Environments
4. Preservation & Revitalization of Historic Buildings (and Vacant & Substandard)



Identified Neighborhood Goals & Priorities

- **Balanced Housing Development:** Support public financing to develop a balance of various housing types in our neighborhood.
 - Housing in our community should be composed of:
 - 1/3 affordable @ 50% median income
 - 1/3 affordable @ 51% - 100%
 - 1/3 market rate – over 100%
 - and a diversity of types, including family housing, elderly, workforce housing
- **Enhanced Public Spaces and Healthy Environments:** We need to create a livable neighborhood with our dense, urban community.
 - Enhance the neighborhood's public spaces, *Chinatown Gate, Hing Hay Park*



Why Invest in the Chinatown- ID

- The strength of South Downtown neighborhoods is their historic and cultural contributions to Seattle's diversity
- We are a regional hub for Asian-Pacific American commerce and culture
- We have community consensus that there is a need for further new development including market rate development.
- However, this new development can not be at the expense of existing residents and businesses, but compatible development that respects & preserves the history & character of the ID, and does not displace or irrevocably alter the character of the ID.
- The neighborhood's central location and accessibility to both downtown Seattle & the region's major transportation nexus of all modes



Why Invest in the Chinatown- ID

- A strong community infrastructure of long established community and cultural institutions, agencies & families committed to the preservation & revitalization of the ID.
- Home to Asian ethnic resources & services not found in other neighborhoods
- The neighborhood's rich retail diversity and culinary experiences.



Why Invest in the Chinatown- ID

Thousands of people visit the ID for rich cultural experiences and events each year:

- ✓ A major attraction for tourists and business folk
- ✓ Brings broader community together to celebrate and appreciate our differences and commonalities

Imagine the vision...

...think of the possibilities.



Investing in Everyone's Future

We believe the redevelopment of South Downtown should require a comprehensive City approach, with sufficient tools to achieve concrete, measurable community development objectives.

Consequently, land use changes should not be developed in isolation from other City strategies, tools, resources, and / or programs necessary to achieve the Vision that represents all our neighborhood interests.

We expect that the principles that we are advocating for will be applied throughout all the South Downtown neighborhoods to achieve the highest standard of livability.



OUR RESPONSE

The Chinatown- International District is one of Seattle's most unique neighborhoods. We realize implementation of the Livable South Downtown Planning (LSDP) will affect our neighborhood greatly.

The City should acknowledge the social, economic, and cultural dynamics of this community, and the projected outcomes of this rezone, before making any concrete decisions.

The City should not move forward on land use changes prior to having a sustainable communities strategy that equitably supports the community's goals and resources.



THE Livable South Downtown

Vision 2030 Coalition ID Community Critique:

- The Livable South Downtown Plan is essentially a City land use / zoning plan, and not a comprehensive community development plan.
- City depts did not all have the same buy-in to the planning effort, so other issues of livability and required public investments in the 2030 recommendations were not fully evaluated to provide a coordinated response.



THE Livable South Downtown

Vision 2030 Coalition ID Community Critique:
(cont)

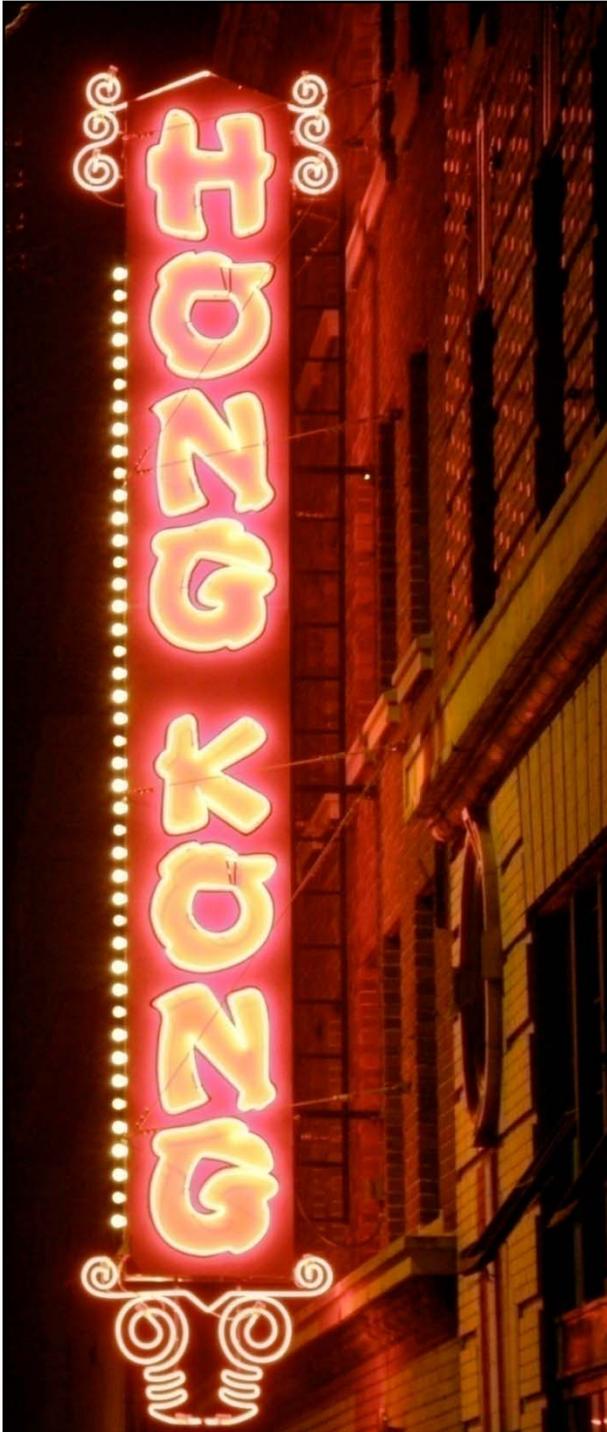
- There were no specific quantifiable outcome targets from upzoning for affordable housing, the types of projected new jobs, preservation of existing minority small businesses, or tools needed to achieve the outcomes.
 -
- There was insufficient analysis of how the increased density would change the future development pattern and impact the existing neighborhood, businesses and residents.



Key Questions

To identify what **tools** and **resources** are needed for equitable development outcomes, some questions need to be addressed:

- How will increased density affect small and independent businesses who lease storefronts in underdeveloped or substandard properties?
- How will we prevent existing low-income residents from being displaced as real estate values escalate & pressures to sell increase?
- How will we achieve our goal of balanced development?
- How will the market respond to upzoning?



More Key Questions

- How will we improve our neighborhood streets and parks?
- How do we make this neighborhood safer?
- How will the physical environment be affected?
- Does the neighborhood's infrastructure have the capacity to handle the impending new development?



Vision 2030 Recommendations:

How can we be sustainable?

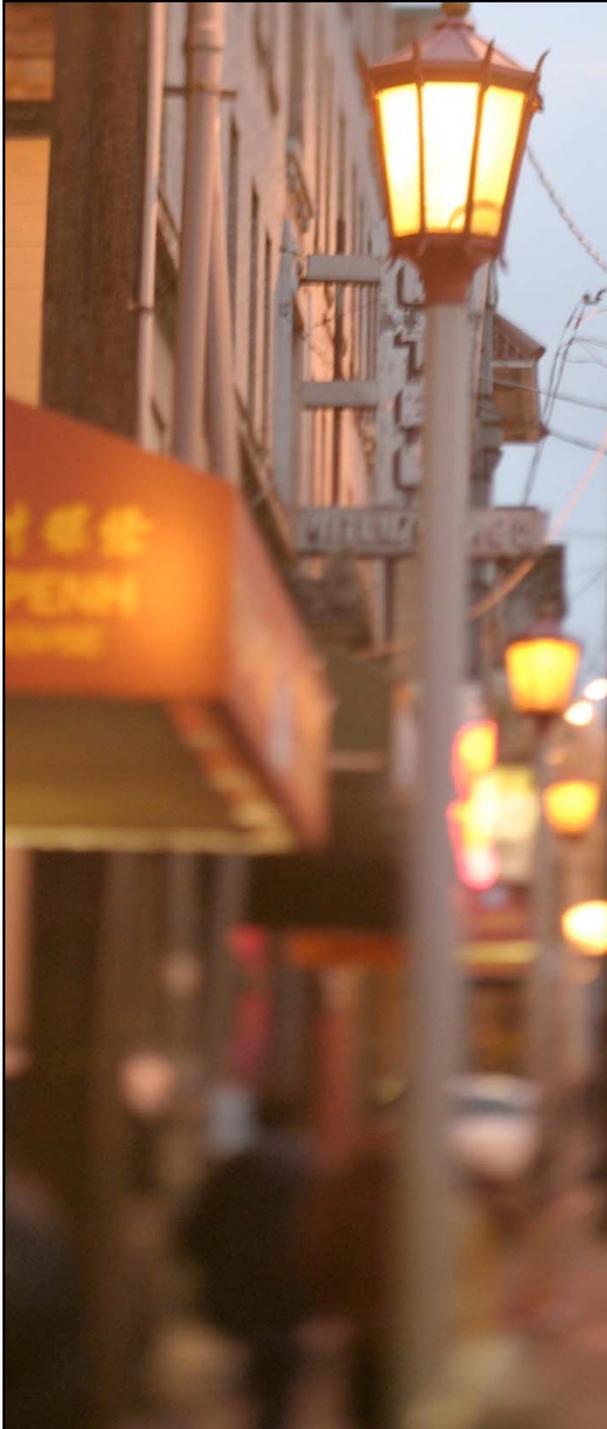
In order to turn neighborhood goals into lasting impressions, the City must consider key Vision 2030 recommendations:

- Develop Needed Financial Tools & Public Investments
- ID recommendations on Land Use Regulations
- Strategies & Programs to Preserve Our Small Retail Business Character
- Implementation that achieves quantifiable sustainable community outcomes



EXISTING FINANCIAL TOOLS ARE NOT SUFFICIENT:

- The new incentive zoning ordinance is weak and will not generate significant new affordable housing.
- The TDR programs are priced at costs not reflecting actual real estate market values for the increased density capacities.
- The new 2009 voter-approved Housing Levy can only fund a portion of the affordable housing needs throughout the city & will not significantly address the South Downtown or ID housing goals.
- Tax credit markets are still uncertain and anemic
- The State Housing Trust Fund has no current funding.
- There are few resources available to support small businesses, given Washington State's lending of credit prohibitions.



Proposed Financial Tools

- **Establish a new Growth Related Fund: (TIFF-like)** Return an increment of new property & other tax collections from within the South Downtown Area to provide a Community Development Fund that can support Vision 2030 goals: affordable housing, economic development, small business support, public safety.
- **Historic TDR & TDR Programs:** Amend the TDR program to allow property owners to sell additional commercial development rights, beyond the three commercial FAR the City is allocating to this neighborhood & to sell TDRs for new affordable housing construction.



Preserving Our Small Retail Business Character

- Develop strategies & programs to support the anticipated loss of the existing Little Saigon commercial base in underdeveloped parcels to new development at higher densities, and less affordable commercial rents
- Enact a formula-retail business ordinance to prevent future urban shopping malls from coming in to the ID; support local and small businesses.
- Apply the 25,000 sf retail/50,000 sf grocery store use limits
- Allow ground floor users to expand into the sidewalk so that retail activity can interface with public to create more lively pedestrian experiences.



Implementation

- The City should have a comprehensive sustainable communities plan and not proceed with a land use upzone first without one.
- The City should evaluate the progress on a regular basis to measure quantifiable outcomes for desired goals.
- The City should seek to work with the federal government to secure resources to achieve sustainable & equitable community outcomes.

AN URBAN IN-FILL
“TRANSFORMATIONAL”
SMART GROWTH PROJECT?

DEARBORN STREET

Goodwill, Shops and Housing

PROJECT OVERVIEW

Dearborn Street is a well-planned, human-scaled development with retail, housing, open space and a much-needed new and expanded home for Goodwill.

Dearborn Street will replace an outmoded, 10-acre site with a pedestrian-oriented community that will reconnect neighborhoods, residents and small businesses that today are cut off from one another by hilly terrain and busy streets.

It will be a place where people want to live, work and shop.



A NEW MODEL FOR URBAN GROWTH



FUTURE HOME OF GOODWILL: A NEIGHBORHOOD LANDMARK



SITE HISTORY

Located between South Dearborn and Weller streets at Rainier Avenue, the property has been home to Seattle Goodwill since 1923. Goodwill's main building was constructed in 1946, and the last major renovation occurred in 1965.

By entering into a development agreement, Dearborn Street Developers LLC will construct a 120,000-square-foot Goodwill facility that includes a new store, classroom space and administrative offices. In exchange, Dearborn Street Developers LLC will acquire the Goodwill property.

This agreement enables Goodwill to open a new Seattle headquarters without having to undertake significant fundraising, thus allowing the organization to focus on what it does best – helping people change their lives through work.

PROJECT COMPONENTS

In addition to new facilities for Goodwill, Dearborn Street will feature:

600,000 square feet of retail, including a grocery store, 50 neighborhood shops and restaurants, a national general merchandise store and a home improvement store.

Up to 500 apartments and condos providing homes for a wide range of residents. There will be 50,000 square feet of rooftop open space for residents.

2,300 parking stalls located behind stores or underground so as not to be visible. Dearborn Street's proximity to eight existing bus lines will allow shoppers, residents and visitors easy access to mass transit.

13,000 square feet of open space around the perimeter, two interior plazas totaling 19,000 square feet and 48,000 square feet of street-level open space.

The tallest building will not exceed six stories, and shops will be located on all sides of the project to foster a walkable community and build connections to existing neighborhoods.

PROJECT COMPONENTS

- 10 ACRE SITE (PROPOSED 6 STORIES, HEIGHT REZONE REQUESTED)
- CONSTRUCT 120,000 SF FACILITY FOR GOODWILL – NEW STORE, CLASSROOMS, ADMINISTRATIVE OFFICES
- 600,000 SF OF RETAIL:
 - GROCERY STORE
 - “NEIGHBORHOOD” (FORMULA RETAIL) SHOPS & RESTAURANTS
 - LOWES
 - TARGET (ANCHOR TENANT)
- 2,300 PARKING STALLS
- GREEN SUSTAINABLE DEVELOPMENT FEATURES – “LOW IMPACT DEVELOPMENT”, STORM WATER MGT TECHNIQUES, INTERNAL OPEN SPACES
- 3RD PARTY DEVELOPER TO BUILD 450 HOUSING UNITS ABOVE
 - 200 AFFORDABLE HOUSING UNITS
 - 250 MARKET RATE UNITS

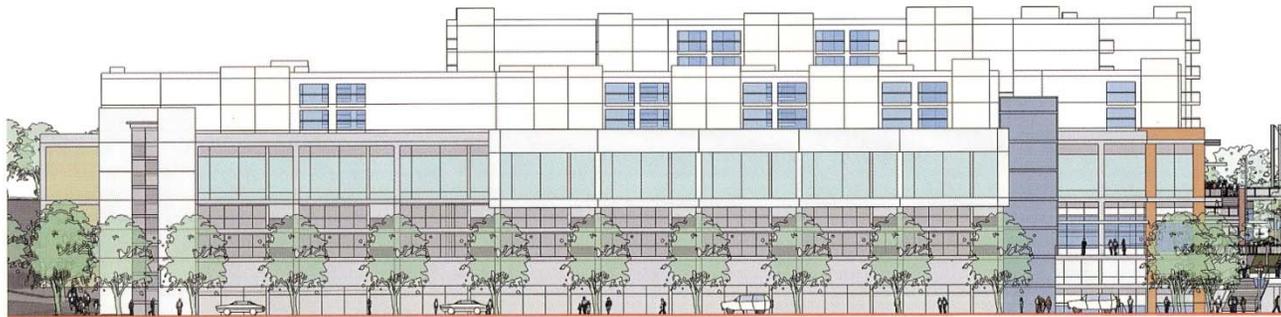
PROPOSED URBAN IN-CITY MALL (IN ID)



PROPOSED URBAN IN-CITY MALL (IN ID)



VIEW ALONG S. DEARBORN ST.



PROPOSED URBAN IN-CITY MALL (IN ID)

VIEW ALONG RAINIER AVE. S.



VIEW ALONG S. WELLER ST.





COMMUNITY PLAZA: OUTDOOR ELEVATED WALKWAY, SHOPS AND RESTAURANTS



RAINIER + WELLER



EAST ON WELLER



EAST VIEW TO RAINIER



COMMUNITY PLAZA

COMMUNITY BENEFITS

To reduce suburban sprawl, Mayor Greg Nickels recently announced that Seattle will need to increase its population 60 percent by the year 2040, which will require a new development model. Dearborn Street is a new model.

Located in a transit-rich area, Dearborn Street is a multi-level development that will have significant amounts of new open space and reconnect city neighborhoods, making them more walkable.

Dearborn Street will provide a new home for Goodwill, which provides effective employment training and basic education to individuals experiencing significant barriers to economic opportunity.

The project will include a new and vibrant retail core providing a range of job opportunities for local residents and neighborhood youth. Dearborn Street will also have a range of homes for community members, including seniors, single parents, teachers, nurses, police officers, social service workers and retail sales people.

As an urban infill project, Dearborn Street is a smart growth opportunity. The developer is pursuing a host of low-impact development and storm-water management techniques that will set a new standard for progressive urban ecology.

Dearborn Street's proximity to eight existing bus lines makes the project ideal for residential living and allows shoppers to arrive in the neighborhood via mass transit rather than private vehicles.

GIVEN THESE 2 EXPERIENCES IN THE INTERNATIONAL DISTRICT:

- INCREASED ZONING TO SUPPORT GREATER DENSITIES
- ENCOURAGE PARTNERSHIPS – ie. GETTING THE PRIVATE SECTOR TO “PARTICIPATE”

HOW DOES SMART GROWTH WORK TO BUILD ON THE EXISTING COMMUNITY FABRIC?

SEATTLE LIVEABLE SOUTH DOWNTOWN PLAN UPZONE

2/1/10

ZONED CAPACITY CHANGES**PROPOSED****CURRENT****CHANGE****CHINATOWN / INTERNATIONAL DISTRICT WEST OF I-5**

ANTICIPATED DWELLING UNITS

3,600

2,900

700

ANTICIPATED JOBS

3,200

2,800

400

LITTLE SAIGON & AREAS EAST OF I-5

ANTICIPATED DWELLING UNITS

3,900

400

3,500

ANTICIPATED JOBS

8,300

7,550

750

TOTAL CHINATOWN / INTERNATIONAL DISTRICT / LITTLE SAIGON**ANTICIPATED DWELLING UNITS****7,500****3,300****4,200****ANTICIPATED JOBS****11,500****10,350****1,150****TOTAL EXISTING ID UNITS****2,500**

PERCENT INCREASE OVER CURRENT ID HOUSING STOCK

300%

**SEATTLE COMPREHENSIVE PLAN (2005)
AFFORDABLE HOUSING - 20 YEAR GOALS**

2/1/10

CITY WIDE GOALS:

TOTAL # OF NEW UNITS		47,000
TOTAL # AFFORDABLE @:		
50% MEDIAN INCOME	20%	9,400
51-80% MEDIAN	17%	7,990
81-120% MEDIAN	27%	12,690

INTERNATIONAL DISTRICT HOUSING AFFORDABILITY GOALS: (COMP PLAN)

TOTAL # OF NEW UNITS / (% OF CITYWIDE GOA	16%	7,500
TOTAL # AFFORDABLE @:		
50% MEDIAN INCOME	20%	1,500
51-80% MEDIAN	17%	1,275
81-120% MEDIAN	27%	2,025

Current ID Housing:	
1,500	62%
400	16%
500	20%

ID SUBTOTAL # AFFORDABLE @:		
50% MEDIAN INCOME OR BELOW		
80% MEDIAN INCOME OR BELOW	37%	2,775
100% MEDIAN INCOME OR BELOW		
120% MEDIAN INCOME OR BELOW	64%	4,800
OVER 120% MEDIAN INCOME	36%	2,700

ID COMMUNITY HOUSING	
2,475	
2,475	
2,475	

2009 SEATTLE HOUSING LEVY 7 YEAR PRODUCTION GOALS 1,850
(Assuming leverage financing)

Seattle Voter-approved Housing Programs

Beginning in 1981, Seattle voters have approved four ballot measures to provide affordable housing for low and moderate income members of the community. All of the housing programs have exceeded production goals. In November 2009, despite the current economic climate, Seattle voters approved the 5th property tax levy.

1981 Senior Housing Bond:		
Senior housing	\$48,170,000	1,297 units ¹
1986 Housing Levy:	\$49.975 million over 8 years	
Small family rental housing	\$10,804,000	446 units
Large family rental housing	\$10,996,000	178 units ¹
Special needs rental housing	\$14,575,000	698 units
Downtown housing preservation	\$ 6,100,000	505 units
Operating and maintenance	\$ 5,000,000	<u>252 units²</u>
TOTAL PRODUCTION		1,818 units
1995 Housing Levy:	\$59.211 million over 7 years	
Rental preservation & production	\$46,531,678	2,301 units
Homebuyer assistance	\$ 2,447,305	90 units
Homeowner housing repair	\$ 4,072,492	241 units
Operating and maintenance	\$ 8,751,000	<u>294 units²</u>
TOTAL PRODUCTION		2,632 units
2002 Housing Levy:	\$86 million over 7 years³	
Rental preservation & production	\$56,100,000	1,522 units
Neighborhood housing opportunity	\$ 7,200,000	196 units
Home buyer assistance	\$ 9,800,000	154 units
Operating and maintenance	\$ 7,800,000	<u>190 units</u>
TOTAL PRODUCTION		1,872 units
Homelessness prevention/ rent assistance	\$ 2,800,000	3,500 households
2009 Housing Levy:	\$145 million over 7 years³	
Rental production & preservation	\$104,000,000	1,670 homes
Operating and maintenance	\$ 14,400,000	220 households
Rental assistance	\$ 4,248,000	3,025 households
Home buyer assistance	\$ 9,090,000	180 home purchases
Acquisition & Opportunity Loans	\$ 6,500,000	<u>175 households</u>
TOTAL PRODUCTION GOAL		1,850 homes
TOTAL ASSISTED HOUSEHOLDS		3,420 households

What is the likely development outcome with the Livable South Downtown Plan ?

- Increased developer interest in sites proximate to downtown Seattle. (When the market rebounds).
- Developer interest anticipated to be:
 - Building to the top of the real estate market (re: affordability). Most Seattle developers at the height of the real estate market said they could not develop new projects at less than 120% - 140% of median income, or less than 120' heights.
 - Maximizing the height to maximize developable square footage. The South Downtown Plan calls for heights from 65' to 240' in most parts of the ID.
 - Increasing developer interest in smaller & smaller units – maximizes \$ rent/square foot, but can be marketed as “sustainable”.
 - Acquisition of underdeveloped and vacant sites, particularly in Little Saigon will be sought, & seen as good values given the ID's proximity to the Downtown core

HOW SMART IS SMART GROWTH?

- **Conventional wisdom:** *Density results in affordability.*
 - While the land cost per unit may be lower with increased density at first, any development higher than 65' and wood frame construction will cost more. Mid-rise & high rise fire codes & structural codes will require more expensive concrete or steel construction.
 - Most Seattle developers say they cannot feasibly develop at less than 120% of median income.
 - Market values of land will increase & make it much harder to secure sites for low income and affordable housing development. Seller expectations of values increase; there are limited public financing sources for escalating real estate values.

- **Conventional wisdom:** *Increased density provides increased housing opportunities*
 - There is likely less diversity in housing types & sizes with mid-rise and high rise construction. Developers typically do not build family-sized units in these types of structures, and the pressure is to minimize the size of units to smaller and smaller efficiency units.

Conventional wisdom: *Increasing density will result in greater ecological benefit by reducing carbon emissions by creating more housing close to work & play.*

Secretary Donovan wants to eliminate “drive to qualify”. There’s another dimension.

However, if the result of density is gentrification, it pushes low income households further out into the suburbs where housing costs are more affordable, but transportation options are fewer. Does it result in lower income people driving more in older cars to get to jobs & services & replace who is on the roads?

Possible Policy Recommendations for Equitable Smart Growth & Sustainable Communities

General:

- Equitable development principles with measurable outcomes should be required of all Smart Growth or Sustainable Communities plans and have realistic strategies to achieve these outcomes. Federal funding awards could be contingent on having such acceptable plans. It is insufficient to just have a plan that can not be evaluated or implemented. The achievement of the plans & outcomes should have some consequence for non-performance.
- There must be identifiable strategies & financial resources available to demonstrate how the objectives can be met, and in coordination with various levels of government . The costs should be identified and the strategies and sources developed to implement the plan as a condition of approval.

Other suggestions:

1. **Consider adoption of Smart Growth zoning/financing district overlays** for designated Sustainable Communities to provide both quantifiable development outcomes consistent with Equitable Development principles and to provide the programs, policies & financing mechanisms to ensure this can happen.
2. **Rethink how zoning can be a more effective tool to achieve equitable & sustainable outcomes:** Encourage reform of zoning codes and create model Smart Growth zoning codes. Research new conceptions of land use codes to reflect Smart Growth outcomes of desired uses – more emphasis on types of outcomes.
 - Zoning as a tool to direct development can often have many permitted uses to allow the market to develop what's needed “in the market”. That does not necessarily coincide w/ what's sought by the community or by public policy or plans.

- Consider adding more prescriptive focus in zoning codes to reflect community needs & public policies:. Eg. Housing types – family housing sized units; affordability built into the zoning code – eg. Allow more density for greater affordability.
- Require inclusionary zoning for affordability & maybe housing types in targeted Smart Growth areas, Provide options of payment in lieu to allow developers the option to provide affordable units in their market rate projects, or pay into local housing finance programs to allow more community based developers to develop the affordable housing.
- Incentive zoning generally does not provide sufficient affordability for the development development bonuses received.

3. Create supportive financing mechanisms:

- Have effective TDR programs – For Seattle, restore the ability to sell TDRs from affordable housing from new construction sites to provide a source of write-down financing.
- Establish TIFF or TIFF-like programs to target public infrastructure funds back into the existing communities as a needed capital source to build out the sustainable community goals not addressed by the private sector.
- Targeted strategic investments from all levels of government

4. Explore strategic use of imminent domain, esp. around TOD sites, to tie up parcels for redevelopment that meets more public policy goals, rather than leave to the speculative real estate market.

- Eg. Transit projects often need to acquire property, and can by imminent domain, to construct or stage “the project”. However, the funds can only be used for “transit related” uses. Other funds can have similar program-related restrictions, which can prevent creative uses of such acquired land, eg. Landbanking land around stations to provide the desired public benefits of mixed income & mixed use densities, prior to the transit line getting established, & could be coordinated with local jurisdictions up-front, by defining “the project” more broadly, or coordinating with other funding

4. Need Coordinated Planning that is meaningful in reaching into the community:

- Local Comprehensive Plans and Consolidated Plans should address equitable development outcomes for housing affordability, small business retention, employment, public amenities at the community level. In Seattle, there is insufficient focus on place based community development.
- With a move to Regional Planning, it may make it even more difficult for communities to have a voice & be able to participate in these key planning & investment decisions. The federal role should be to require localities to coordinate down to the communities & not just out to the regional players.

5. Federal Role:

- Get HUD back in the business of more substantially supporting affordable housing and community development. HUD has largely been invisible for a long time in helping finance affordable housing development, unless projects are targeted to special needs.
- Refine the approach that “encourages” or “incentivizes” localities “to do the right thing”. Need leadership to change the paradigms, including local policies & investments.
- Either change the way federal programs define “the Project” and eligible costs to reflect the larger sustainable community result, or have joint approvals by various federal agencies & localities for “the Project” & which pieces of implementation each will cover.