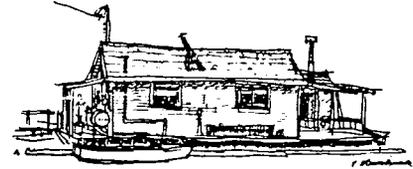


Chapter X.

AFFORDABLE HOUSING ELEMENT



1. Vision and Goals

A neighborhood which includes all socioeconomic groups. A neighborhood which assures that some housing units are affordable for those with low incomes. A neighborhood which asks for and receives its fair share of public funds for low-income housing.

This vision can be our Eastlake if we plan well for affordable housing.

Eastlake is requesting and has actively pursued affordable housing. The Eastlake Neighborhood Plan seeks housing opportunities for those with incomes under 80%, and especially for those under 50%, of the citywide median income (\$38,550 for an individual in 1997).

Goal AH-1 The Eastlake Tomorrow affordable housing goal is for City funds and regulations to help expand housing opportunities in Eastlake for those with incomes under 80 %, and especially for those under 50 %, of the citywide median income.

This chapter on Affordable Housing first defines terms and summarizes the relevant direction from the City's Comprehensive Plan, then provides background on the planning process, and ends by listing the recommendations and categorizing them as key, near-term, and long-term.

2. Definitions of Terms

Low income: Income below 50 % of median (\$19,300 for an individual in 1997). Adjusted for family needs, low income is defined as \$27,550 for a family of four in 1997.

Low-moderate income: Income below 80% of median (\$30,450 for an individual in 1997). Adjusted for family needs, low-moderate income is defined as \$43,500 for a family of four in 1997.

Median income: That income level at which half the population has a higher income and half the population has a lower income. Seattle median income was \$38,550 for an individual in 1997.

3. Relationship to the Comprehensive Plan

The City's Comprehensive Plan has several goals and policies should benefit Eastlake and help the community achieve its affordable housing goals:

- . The City should achieve a mix of housing types attractive and affordable to a diversity of ages, incomes, household types, household sizes, live/work situations, and cultural backgrounds. (G4, Housing Element goal)
- . Encourage greater ethnic and economic integration of Seattle's neighborhoods, especially by allocating housing subsidy resources in a manner that increases opportunities for low-income households, including ethnic minorities, to choose residences located throughout the City. (H 14, Housing Element policy)
- . Neighborhood planning should promote methods to more efficiently use or adapt the housing stock to enable changing households to remain in the same home or neighborhood for many years. (HI 5, Housing Element policy)
- . Higher residential development density is allowed in multifamily zones for housing limited to occupancy by low-income elderly and disabled households, based on the lower traffic and parking impacts this type of housing generates. (H 18, Housing Element policy)
- Through neighborhood planning, allow the transfer of unused development rights from low-income housing to eligible sites elsewhere in the planning area as a preservation strategy. (H28, Housing Element policy)
- . Encourage affordable housing in urban villages like Eastlake (H29, Housing Element policy) by:
 - a) Seeking to provide for at least one-quarter of the housing stock in each urban center and urban village. ..to be affordable to households with incomes below 50 % of median, regardless of whether this housing is publicly assisted or available in the private market;
 - b) Encouraging the use of public subsidy funds for the production or preservation of low-income housing in urban centers and urban villages; and
 - c) Providing that neighborhood plans establish goals and strategies for production of housing affordable to households between 50 % and 80 % of median income in centers and villages with high land values and relatively little existing rental housing affordable to households and with incomes between 50 % and 80 % of median income.
- . Promote a broader geographical distribution of assisted housing by generally finding projects in areas with less assisted rental housing while generally restricting finding for projects where there are high concentrations of assisted rental housing. (H31, Housing Element policy)

- . Consider allowing higher subsidy or production costs per housing unit in evaluating low-income housing project proposals in locations with higher than average land costs to encourage the development of low-income housing throughout the city. (H37, Housing Element policy)

4. Planning Background

Overlooked by the elegant homes of Capitol Hill, close to the early “working” Lake Union, Eastlake was traditionally one of Seattle’s most affordable places to live. Eastlake has some of Seattle’s older and architecturally significant apartment buildings; many date back to the streetcar era, and their rents until the 1960s seemed anchored in that era. Its houseboat colony originally provided some of the city’s most inexpensive housing. Its houses are generally small, while many of the larger ones have been remodeled to add additional living units. Because Eastlake’s residential land has always been zoned multifamily, there are no barriers to accessory dwelling units (“mother-in-law apartments”) or duplexes, that exist under single family zoning.

An early chair of the Eastlake Community Council’s Land Use Committee, John Fox, wrote in the March 1979 issue of the *Eastlake News* that “Eastlake has retained a diversity of housing types that have accommodated people of all ages, lifestyles, races, and incomes. In many ways, that physical and social diversity has been the source of what we enjoy in our community. There are some very real threats, however, to retention of that physical and social diversity.”

Indeed, Eastlake was beginning to lose its most affordable housing in the early 1970s. Houseboats became a lifestyle and particularly valuable, as rents increased and docks began to convert to condominiums or cooperatives. Most new apartment construction has produced up-scale apartments or condominiums. Office building construction, too, has displaced some previously affordable housing. Today, 75% of Eastlake’s total housing units are still rentals, but fewer and fewer are affordable to those on low or moderate incomes. Despite the displacement, no publicly subsidized housing exists in the Eastlake neighborhood.

Eastlake neighborhood planning efforts have long identified the increasing loss of affordable housing as a significant problem. The Eastlake Goals and Policies, acknowledged in a 1979 City Council resolution, recommended that the City fund low-income housing in Eastlake that was “dispersed, low-profile, and compatible with the surrounding character of the community.”

The 1992 Eastlake Tomorrow framework plan placed particular emphasis on maintaining affordable housing, and led to strengthening of the Eastlake Community Land Trust, which had been founded in 1990 to promote affordable housing and supporting community services compatible with Eastlake’s historic character. A December 1995 Eastlake Tomorrow workshop included a session on diversity and housing whose action plan reaffirmed the goal of establishing an affordable housing project in the neighborhood and invited local residents to nominate possible sites.

The 1996 Eastlake Tomorrow questionnaire, which received 402 returns, found wide support for maintaining a “broad range of rental unit prices:” 44% gave this objective high priority, 32% gave it medium priority, and less than 5% opposed it. Preserving affordable rents emerged as a

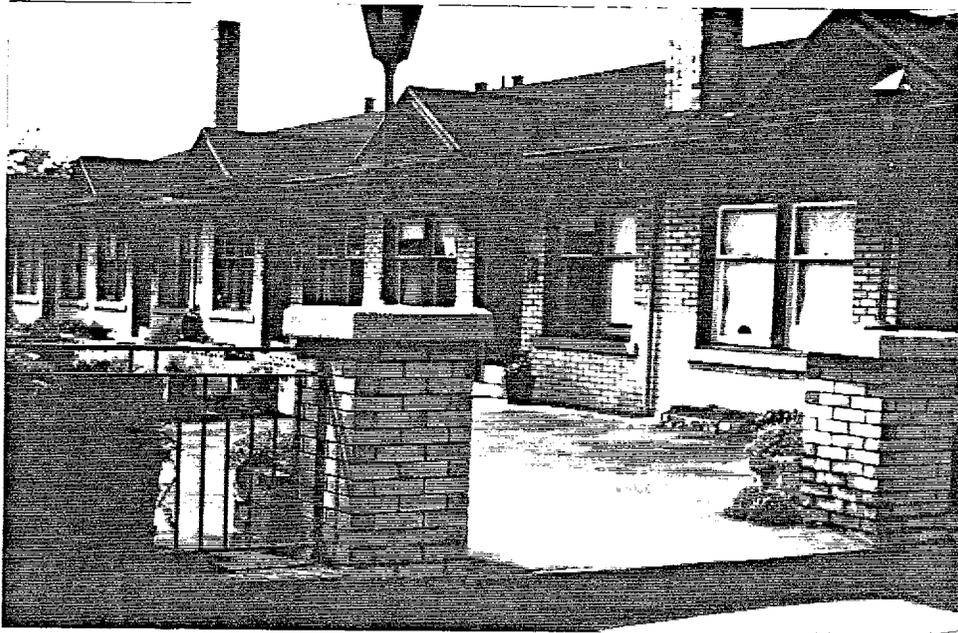
significant desire of many attendees at the November 1997 Eastlake Tomorrow diversity workshop.

Social services representatives on the Eastlake Tomorrow Steering Committee (Childhaven, United Indians of All Tribes) have expressed concern that their clients have difficulty finding affordable rental housing in our neighborhood or anywhere nearby. However, Eastlake has not so far been identified as a priority neighborhood in the Mayor's 1998 proposals on affordable housing.

The Eastlake Community Land Trust presented an affordable housing agenda to the November 8, 1997, Eastlake Tomorrow diversity workshop and to the Mayor's March 21, 1998, Community Conference on Affordable Housing. In response, the Eastlake Tomorrow Steering Committee established an ad hoc Affordable Housing Task Force coordinated by Ted Choi-Tam, an apartment building owner/manager and former president of the Eastlake Community Council. The Task Force, which included some members of the board of the Eastlake Community Land Trust, drafted the affordable housing proposals in Eastlake Tomorrow's April 1998 Options Guide.

The 1998 Options Guide questionnaire showed continued support by Eastlakers for affordable housing, with 38.3% "strongly agreed" that the City and other public and private agencies should "find low or moderate income housing projects in high land value neighborhoods like Eastlake;" another 9.9% gave "somewhat support" to this view. Only 16% were "strongly opposed," while 7.4% were "somewhat opposed." There was a more even division regarding a proposal to reduce off-street parking requirements for housing covenanted for low or moderate incomes: 39.5% were in support (18.5% strongly), while 34.6% were in opposition (23.5% strongly).

Ironically, the Olympic Court apartments (see photo), featured in the April 1998 Options Guide as an affordable old rental, were soon sold into an uncertain future. The sale was managed by SeaFirst, which did not even notify nonprofit housing providers that the property was available; neighborhood residents noticed a stream of "suits" looking the property over and alerted the Eastlake Community Land Trust. The Land Trust encouraged an offer by the Capitol Hill Housing Improvement Program (CHHIP), with which it has an agreement to site a subsidized housing project in the neighborhood. In Eastlake's hot real estate climate, CHHIP lost the bidding war because City funding formulas did not allow it to offer enough per unit to match private offers, and because the Eastlake Community Land Trust did not have a large enough treasury to fill the gap.



The affordable rents at Olympic Court apartments, on Eastlake Avenue, were threatened when the property was put up for sale in 1998.

The Eastlake Neighborhood Plan proposes that the City implement its Comprehensive Plan Policy H-3 7 allowing higher subsidy or production costs per unit by (1) setting aside \$1 million/year in City housing funds to competitively fund such projects; and (2) requiring that at least \$1 million/year in City housing be offered for such projects as a one-year challenge fund to make fundraising easier. The Neighborhood Plan also would extend Seattle's transfer of development rights (under which downtown projects purchase more development capacity by funding housing projects downtown) to covenanted low-income housing projects in neighborhoods like Eastlake. And it proposes some carefully drawn changes in zoning and development regulations encouraging projects covenanted to provide rents affordable to those on low incomes.

The July 1998 response of the Seattle Department of Housing and Human Services to the Eastlake Plan's Housing recommendations was not encouraging. The Department stated that although neighborhood diversity for Eastlake is a "laudable goal," it is "more easily requested than achieved." DHHS further stated that:

"While the individual housing strategies hang together as a strategy and seem to make sense from a neighborhood standpoint, they may not necessarily be the most cost-effective or beneficial from a citywide perspective. Given the heavy demand for scarce housing funding resources citywide, the goal of achieving diversity in Eastlake needs to be reasonably balanced against the need to cost-effectively produce low-income housing to meet the growing overall demand. DHHS already allows slightly higher development costs in more expensive areas to encourage the availability of housing throughout the city. However, this means fewer

overall housing units produced than would otherwise be the case, so in recognition of the extreme housing demand currently in place, DHHS is hesitant to expand the existing policy.”

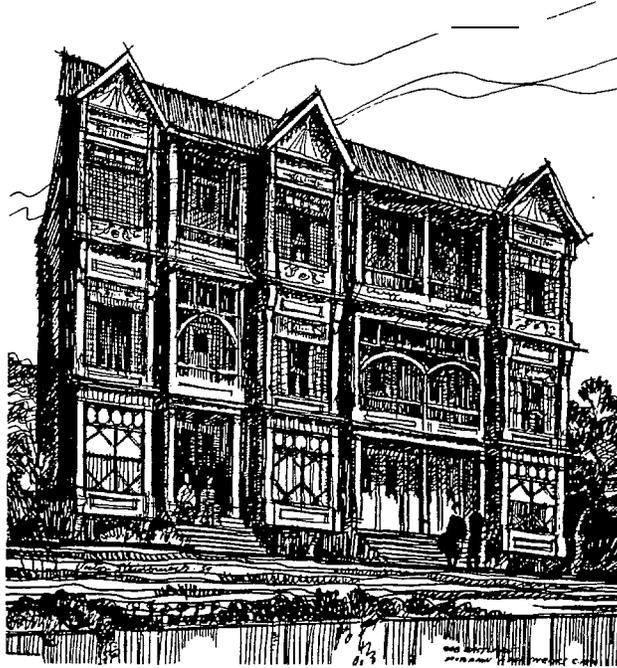
Eastlake hopes for a more creative City response; ‘this one seems inconsistent with Policies H 14, H29(b) or H37 of the City’s Comprehensive Plan. DHHS, the Mayor, and the City Council should not allow per-unit funding formulas to reinforce the existing inequities in where people can afford to live. Rather, City funds and the transfer of development rights should assure that some subsidized units are possible even in neighborhoods where land values are high. To do otherwise is to not share with those on low incomes the good life that is possible in a neighborhood like Eastlake.

5. Affordable Housing Recommendations

Goal AH-1: The Eastlake Tomorrow affordable housing goal is for City funds and regulations to help expand housing opportunities in Eastlake for those with incomes under 80 %_o, and especially for those under 50 %_o, of the citywide median income.

- AH-1.1 Encourage the City to facilitate housing in Eastlake that is affordable regardless of social or economic status (see also D-1.2). [Key]
- AH-1.2 Implement the City’s Comprehensive Plan Policy H-37 allowing higher subsidy or production costs per unit in neighborhoods like Eastlake where land values are higher. Do so by: (1) setting aside \$1 million/year in City housing funds to competitively fund such projects; and (2) requiring that at least \$1 million/year in City housing be offered for such projects as a challenge fund to match what has been raised for the project within one year. [Key]
- AH-1.3 The City, County, and State should encourage and provide incentives to the Seattle Housing Authority, private developers, non-profit housing developers, land trusts, and other similar entities to acquire, rehabilitate, or develop low or low-moderate income subsidized multifamily housing projects in high land value neighborhoods like Eastlake. [Key]
- AH-1 .4 Study the possibility of modifying off-street parking requirements, density and height limits, and other development standards for housing units covenanted to be affordable to those with low or low-moderate incomes. [Near-term]
- AH-1.5 Adopt the use, development standard, and permitting changes outlined in recommendation CD- 1 (Eastlake Avenue Pedestrian District) to achieve mixed-use and single purpose residential projects on neighborhood commercial zoned properties that are not part of Eastlake’s commercial core and comers. [Key]

- AH-1.6 Encourage alternative and non-traditional housing solutions such as office studios, loft studios, live/work units, house sharing, small lot projects, cottage housing, and “mother-in-law” apartments. [Key]
- AH-1.7 Continue the neighborhood’s support, and encourage the expansion, of social services for youth, seniors, the disabled, and others. [Near-term]
- AH-1.8 Extend the scope of the existing program for transfer of development rights (under which downtown projects purchase more development capacity by finding housing projects downtown) by allowing covenanted low-income housing projects in neighborhoods like Eastlake to receive the benefits. [Key]
- AH-1.9 Encourage pilot projects in Eastlake to promote affordable housing with such tools as community land trusts and development on City-owned land, etc. [Key]
- AH-1.10 Expand the Mayor’s proposed new tax abatement program to promote housing projects in Eastlake that are covenanted to served those with low to low-moderate incomes. [Key]



Apartment building at 908 Eastlake Avenue that was demolished for I-5 construction. Drawing by Victor Steinbrueck (used by permission of Marjorie Nelson Steinbrueck).