

**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

..title

AN ORDINANCE relating to affordable housing on properties owned or controlled by religious organizations; modifying affordability requirements adopted in Ordinance 126384; and amending Section 23.42.055 of the Seattle Municipal Code and Section 10 of Ordinance 126384.

..body

WHEREAS, in June 2021 the City Council adopted Ordinance 126384, establishing alternative standards for the development of long-term affordable housing on property owned or controlled by a religious organization; and

WHEREAS, this legislation implemented Chapter 218, Laws of 2019 (SHB 1377), adopted in 2019 by the Washington State Legislature and codified in RCW 36.70A.545, requiring jurisdictions to allow additional density for affordable housing on religious organization property; and

WHEREAS, SHB 1377 requires that all housing developed using additional density provided under RCW 36.70A.545 must be affordable to low-income households, defined as households with incomes up to 80 percent of area median income (AMI), for 50 years; and

WHEREAS, the City, through the Office of Housing funding awards, has supported the development of hundreds of affordable rental apartments on land availed by faith-based organizations; and

WHEREAS, the Seattle Housing Levy Administrative and Financial Plan and Housing Funding Policies, adopted by City Council, require rental housing developments funded by the Office of Housing to serve households with a range of incomes, generally up to 60



1 a. For rental units, households with incomes no greater than 80 percent of  
2 median income, adjusted by household size.

3 ~~((1) In development with a complete Master Use Permit~~  
4 ~~application, if required, or complete building permit application filed by July 1, 2022,~~  
5 ~~households with incomes no greater than 80 percent of median income, adjusted by household~~  
6 ~~size, or~~

7 ~~2) In development with a complete Master Use Permit application,~~  
8 ~~if required, or complete building permit application filed after July 1, 2022, households with~~  
9 ~~incomes no greater than 80 percent of median income, adjusted by household size, and average~~  
10 ~~household income across all units in the project no greater than 60 percent of median income.))~~

11 b. For ownership units, households with incomes no greater than 80  
12 percent of median income, adjusted by household size.

13 2. Duration. The obligation to provide dwelling units meeting the requirements of  
14 subsection 23.42.055.B shall last for a period of 50 years from the date of the certificate of  
15 occupancy or, if a certificate of occupancy is not required, from the date of the final building  
16 permit inspection for the development to which this Section 23.42.055 applies.

17 3. Affordable rent. Monthly rent shall not exceed 30 percent of 80 percent of  
18 median income. For purposes of this subsection 23.44.055.C.3, "monthly rent" includes a utility  
19 allowance for heat, gas, electricity, water, sewer, and refuse collection, to the extent such items  
20 are not paid for tenants by the owner, and any recurring fees that are required as a condition of  
21 tenancy.

22 4. Affordable sale price

1 a. Affordable price – initial sales. The initial affordable sale price must be  
2 an amount in which total ongoing housing costs do not exceed 30 percent of 80 percent of  
3 median income. The Director of Housing will establish by rule the method for calculating the  
4 initial sale price including standard assumptions for determining upfront housing costs, including  
5 the down payment, and ongoing housing costs, which must include mortgage principal and  
6 interest payments, homeowner's insurance payments, homeowner or condominium association  
7 dues and assessments, and real estate taxes and other charges included in county tax billings. The  
8 Director of Housing may establish by rule a maximum down payment amount.

9 b. Affordable price – resales. Eligible households for purchase of an  
10 ownership unit subsequent to the initial sale must have incomes no greater than 80 percent of  
11 median income at initial occupancy. The Office of Housing will establish by rule the formula for  
12 calculating maximum affordable prices for sales subsequent to the initial sale to allow modest  
13 growth in homeowner equity while maintaining long-term affordability for future buyers.

14 \* \* \*

15 Section 2. Section 10 of Ordinance 126384 is amended as follows:

16 Section 10. The Council requests that the Office of Housing, in coordination with  
17 the Seattle Department of Construction and Inspections, by March 31, 2022, and then  
18 annually for five years thereafter, provide a report to the City Council on all permits  
19 issued for developments that used the provisions (~~(provided in subsection))~~ of Section  
20 23.42.055 of the Seattle Municipal Code during the prior 12-month period. The report  
21 should include information on the property (such as the size of the lot and the zoning  
22 designations), the affordability levels, whether the project received City funding to  
23 support the development, and the ownership structures of the property at the time the

1 permit application was filed((7)) and, if known, the ownership structure after a certificate  
2 of occupancy is issued or the project passes final inspection. The report due by March 31,  
3 2027, should also include a comprehensive review of all permits issued for developments  
4 that used the provisions of Section 23.42.055 of the Seattle Municipal Code since they  
5 took effect. Following the publication of the report due by March 31, 2027, the Council  
6 may consider retaining, lowering, or otherwise amending the household income  
7 eligibility requirements for rental units as provided in subsection 23.42.055.C.1, provided  
8 any amendments comply with the provisions of RCW 36.70A.545.

