

From: webmaster@shorelinewa.gov
To: [agenda comments](#)
Subject: City of Shoreline Agenda Comments
Date: Thursday, February 19, 2015 5:38:11 PM

A new entry to a form/survey you have subscribed to has been submitted.

Form Name: Comment on Agenda Items
Date & Time: 02/19/2015 5:38 PM
Response #: 61
Submitter ID: 1479
IP address: 174.61.224.136
Time to complete: 9 min. , 33 sec.

Survey Details: Answers Only

Page 1

1. Cory Secrist, PhD
2. Shoreline
3. (o) Ridgecrest
4. corysecrist@gmail.com
5. 02/23/2015
6. Proposed Rezoning of 145th and 185th subareas
7. Dear Council Members,

I am writing you as a plea to rethink how affordable housing and population growth is managed in Shoreline. The current plan includes a radical rezoning of the 145th and 185th subareas. There are severe consequences to such expansive development in our city that I believe will have long term negative effects that hurt the poor and middle class in ways that are not directly addressed in the current plans. I am serious enough about this that I would urge you to decline approval of the current mass rezoning plans for the 145th and 185th subarea stations. I know this is a drastic departure from the current stated plans, and I realize some rezoning will likely be necessary, but I believe it is important for the future of our city and its citizens that this be done in a different way. Please, allow me to explain why and how.

Our friends in the neighboring city of Seattle have been embarking on a bold experiment for the past few years to create a marriage between commercial developers and the affordable housing movement. They are now trying to bring Shoreline and the rest of King County along with them on this venture. The major strategies of this experiment are 1.) to allow micro-apartments (aka "aPodments") to be built, 2.) to rezone huge areas of traditionally single-family neighborhoods so that they can be built over with apartments and businesses (particularly near light rail stations), and 3.) to incentivize developers to create affordable housing by offering up a 12 year tax exempt status for apartment complexes that maintain a certain percentage of affordable units. They have done this because Seattle rent prices have skyrocketed in recent years as Seattle has been an

increasingly popular destination city, particularly among college students and young professionals. The basic economics of the affordable housing problem are that there is a higher demand for housing, with roughly the same limited supply, so apartment owners are raising rent prices to exploit demand, and developers want to increase supply by building and selling new units. On the surface, the developers sound like the good guys here who come in and supply the housing that people want at rates they can afford. But pay careful attention to their methods, for profit-driven developers and morally-driven affordable housing advocates make strange bedfellows.

Throughout this letter I will address these three issues of micro-apartments, large-scale rezones, and property tax exemption incentives to explain why I believe these are not suitable solutions for affordable housing and create worse conditions for the poor and middle class.

Micro-apartments

First, micro-apartments are changing what it means to be low-income. While the current DEIS for Shoreline states that micro-apartments will not be allowed in the proposed MUR rezones, these tiny rental units are important to mention here because of the role they play in the larger picture of how King County intends to manage its low-income population. Micro-apartments have been developed in Shoreline along Aurora Avenue, and it is important to keep in mind that Seattle also has many of them not far from here, as do other parts of King County. Whereas a studio apartment previously could be no smaller than 400 square feet, new laws allow micro-apartments that range from 120-350 square feet. This is smaller than the typical one-car garage. It is roughly the size of two prison cells put side by side. Low income individuals are being tightly packed into tiny rooms in giant buildings. Developers will claim that there is a high demand for these aPodments, but this is somewhat misleading. Shelter is a basic human need, so housing is always in high demand. The demand is actually for reasonable rent prices, and reasonably priced rent is decidedly in short supply. Most people on a low income would gladly choose a 700 square foot one bedroom apartment over a 200 square foot micro-apartment if they were offered for the same price. There are very few people actively looking to live in tiny spaces. It is simply the case that a cramped space is better than living on the street, so people settle for less than they deserve. Meanwhile, micro-apartments are not only profitable for developers and landlords, but they are surprisingly quite lucrative. They have more tenants (and therefore more rent checks) packed into a smaller total space. While a micro-apartment will be rented at a lower monthly fee (~\$500-\$900 per month) than a studio or one-bedroom apartment (thus making it “affordable”), micro-apartments are actually 2 to 3 times more expensive per square foot than the average one-bedroom apartment. Thus, landlords are renting their tiny spaces at a premium, even though the monthly rent total is lower. Tenants are asked to compromise more in terms of space than apartment owners are compromising in profits. In fact, apartment owners can increase profits by squeezing more people into smaller space and charging more rent per square foot. Many developers are even getting property tax exemption by providing these “affordable” units, because “affordable” is defined by the monthly rate of a unit rather than the monthly cost per square footage.

Meanwhile, marketing is done to make people feel happier about their tiny spaces by giving aPodment buildings pretentious names (Avenida, Videré, Terrazza, etc.) to make them seem fancy and by praising interior designers and tenants for making surprisingly efficient use of compact space while leaving smaller ecological footprints. While these praises are justified, they serve a similar function to working class myths about the value of hard labor, which also contain a kernel of truth, but have historically served as a way for the rich to convince the poor that there is value in working longer hours for less pay. Now the rich are convincing the poor to live in less space too. Those at the top have historically provided myths for those at the bottom to maintain their respective class positions and to perpetuate a view that their divided class roles are righteous and

good for all, while simultaneously ignoring inequity and the hypocrisy of the elite. They sound noble at first blush, but they function to maintain class divide. The new vogue is to encourage people to use less space and resources. Whereas low income people are being shepherded into confined micro-apartment units, the middle class will be led out of the market for single-family homes and into apartments, and only the wealthy will be able to afford houses.

Massive Rezoning

This brings me to my second major topic of radical rezoning and how it is changing what it means to be middle class. Neighborhoods that were previously designated as residential areas for single-family homes are being up-zoned to allow for mixed-use residential buildings. There is an expected trajectory that home values will make an upswing immediately following the rezoning, and then, as members of the neighborhood sell off properties to commercial developers and buildings go up, blight will drive down the value of later sellers' homes. In other words, it is a wiser decision (financially speaking) to sell in the early half of this process than in the latter half. However, as this is all happening, there is a decreasing supply of residentially zoned homes, because formerly residential areas will have been up-zoned to mix-use-residential. The cost of homes in residentially zoned areas can be expected to increase as a result of decreased supply. This means, that if you were in a rezoned area, even if your property value did increase with the rezoning, there is still the possibility of a zero-sum gain when trying to sell your home to buy another home in King County residential areas, since overall home values are likely to become increasingly costly. Instead, many low-middle to middle-class families who end up selling their homes will likely find they are unable to afford new homes and will instead need to move into apartments. In just a few decades time, it could very well be the case that more of the middle class will be living in apartments than in single-family homes, thus changing the very lifestyle expectation of what it means to be middle class in the coming decades. For those of us that are homeowners, the rezoning laws are the primary laws that protect us from having developers build large structures near our homes that block sunlight, increase fire hazards, lead to traffic congestion, and thin out available parking. Developers have a right to make a profit, but citizens also have a right to government protection from businesses trying to take advantage of the communities they are a part of.

Many of the informed homeowners in these neighborhoods are concerned, and for good reason. When their homes are rezoned to be included in mixed use residential zones, they will be sitting on what is akin to commercial property. This will likely increase the value of their land, but decrease the value of their actual homes, which are likely to be demolished for redevelopment. It is not clear whether or not this will work out in the seller's favor. From a property value standpoint, what this means is that if they decide to sell, they will most likely have to be selling to developers. Banks require a higher down payment for mortgages on commercial property, which residential home buyers are less likely to be able to afford. Developers can afford the higher down payment, but they are a smaller population of buyers and it can therefore take more time for the seller to sell a property. There is also an emotional toll here because to sell your home will mean that you also have to sell out your neighbors by contributing to the blight of the neighborhood when your former property leads to a giant new development over the top of where your house used to be. There is also the possibility of an added public expense of lawsuits filed against the city, as there is legal precedent for cases wherein citizens lost property value due to city rezonings that benefitted the public, but not the individual, and the judge's decision was that the city therefore owed compensation to the individual (see DeCook v. Rochester Intern and McShane v. City of Faribault).

The other point that needs to be addressed about the massive rezones is the assumption regarding

their importance to the success of the Metro Light Rail. It makes sense to have some population density near public transit stations, but with such large scale rezoning, I fear we are creating more population density than the light rail and the existing roadways will be able sustain. To put it simply, there will be far more new people than there will be available seats on the train and lanes on the road. Also, part of why I and many other citizens wanted the light rail development was to aid in decreasing traffic and commute times. If the train stations also come with increased population density around them, then the population growth will add more to the existing traffic problems than the light rail will help. The problem gets even worse when you consider that these new apartment buildings have limited parking requirements, leaving residents with cars to park along curbs.

Additionally, Shoreline's pre-existing city design is not well suited for a large increase in population density. People live in Shoreline, and work outside of Shoreline. This city does not compare to a city like Amsterdam, which is often held up as a model of how population density can be successfully achieved. In Amsterdam, the predominant form of transportation has long been the bicycle. The roads are designed to accommodate bikes and pedestrians, and the city has ample public transit buses, trolleys, trains, and subways. Shoreline has very few bike lanes and sidewalks, limited ability to expand roads, and even with the coming light rail, this city cannot provide as many public transit options. Amsterdam has workplaces and shops nearby, so people don't have to commute long distances. Shoreline has traditionally been a city where residents live to commute to jobs outside of the city, and where residents frequently shop in businesses outside of the city. Shoreline simply is not designed to be a high-density city, and the mass rezoning is not going to suddenly change that. It will simply make it all the more apparent as the sudden influx of new developments and population growth strain the city's infrastructure (roadways, sidewalks, bike lanes, sewer lines, water mains, etc.).

If we give up all of this territory in Shoreline to rezoning now, then we have little power over what developers do in the future. The current plan of a massive rezone makes a big assumption that the invisible hand of market forces will guide urban development into something palatable for the city of Shoreline. I am not willing to put my faith in such magic. If any rezoning is to be done, it should be strategically phased in and done sensibly. The zoning should be contingent upon the completion of specific milestones such as utilities, storm water, and traffic improvements. For example, a large building should not be developed until it is clear that the water main leading up to it can provide adequate water pressure to reach the highest floors. That water line may start several blocks away, and it should not be the responsibility of the tax payers to upgrade the pipe width so that a new building can have the water it needs. We should ensure that developers are good stewards to the city that they are developing in.

Tax Incentives to Promote Affordable Housing

The current plan for bringing in affordable housing is to entice developers with property tax exemption for providing a portion of their apartments with "affordable" units. I put the word "affordable" in quotes because I do not believe that the actual definition of "affordable" in the proposed legislation is a low enough rent cost, nor does it require enough units to warrant such a heavy tax break. According to the DEIS, in order for developers to achieve tax exempt status for 12 years, they must make apartments wherein 15% of the units would be rented out at rates affordable to people with an income that is 70% or below that of King County's annual median income (AMI; though do note that this is not Shoreline's AMI). The annual median income for King County is \$66,476, so that 70% line would mean that they are providing affordable housing to people making \$46,533 or less. This is not typically the annual income people think of when they think of people in need of affordable housing. This is not low-income housing; it is lower-middle

class housing. To help put a face to this, the affordable housing units might be affordable to some teachers and nurses, but not for people working in retail, food services, child care, nor emergency medical technicians. Given that the definition of “affordable” is that an individual spends no more than 30% of one’s annual household income on rent, this means that the monthly rent would be \$1,279 per month or less. This is hardly any different from what rent rates are now. The median rent in Shoreline is currently \$1,487. As an analogous approximation of the 70% AMI, 70% of that average rent would equal \$1,041. In my estimation, this would mean that rent could actually go up in price, even within the “affordable” units. This plan to incentivize developers really adds nothing to the available affordable housing. It only helps stave off a projected increase in rent prices. This benefits the apartment owners and developers, not the poor.

Earmarking 15% of the units for affordable rates is too a low figure, and 70% AMI is not affordable enough. The earmarked 15% of units should be helping Shoreline’s lowest 15% of income earners, but 13.9% of people in Shoreline fall in the Low to Very Low income range, who will remain unable to afford housing and will be unaffected by this supposed increase in “affordable housing” from tax incentivizing. The bottom line is that these plans appear carefully crafted to slide through political process under the banner of affordable housing, while actually helping make developers a lot of money and exempting themselves from paying property tax, thereby hoisting the burden of generating new tax revenue onto the surrounding home owners who will receive no such tax break. I am afraid we are being hoodwinked by a bit of business slight-at-hand. I am in favor of affordable housing, but I do not believe the current tax incentive plan provides it, and if this is a mistake to offer these incentives, it is a mistake that lasts for 12 years.

Thank you for hearing my concerns. In summary, I believe micro-apartments and massive rezones will respectively change what it means to be low-income and middle class in Shoreline over the coming decades. I do not believe Shoreline’s existing design and infrastructure can adequately accommodate a large increase in density without better accommodations for transportation and utilities. If there is to be rezoning, I believe it should be phased-in, contingent upon meeting these accommodations before development can take place. I am concerned that rezoning residential neighborhoods will take away important protections from our current Shoreline residents. I do not believe that the current property tax exemption incentives will adequately lead to affordable housing. Please reconsider the plans for a massive rezoning of Shoreline, as well as proposed property tax exemptions for developers.

8. (o) Oppose

Thank you,
City of Shoreline

This is an automated message generated by the Vision Content Management System™. Please do not reply directly to this email.