

## **A conversation with Alan Durning, July 12, 2017**

### **Participants**

- Alan Durning – Founder and Executive Director, Sightline Institute
- Alexander Berger – Program Officer, U.S. Policy, Open Philanthropy Project

**Note:** These notes were compiled by the Open Philanthropy Project and give an overview of the major points made by Mr. Durning.

### **Summary**

The Open Philanthropy Project spoke with Mr. Durning of the Sightline Institute (Sightline) as part of an update on a \$400,000 grant the Open Philanthropy Project made to Sightline in October 2015 to support its work on housing and urban development. Conversation topics included Sightline's progress on implementing the Housing Affordability and Livability Agenda (HALA) recommendations and its plans for the future.

### **Implementing HALA recommendations**

#### **Progress on Mandatory Housing Affordability implementation**

Sightline is currently helping to push for implementation of the Mandatory Housing Affordability (MHA) program in three neighborhoods, and hopes to eventually cover more of the city. Mayor Ed Murray's administration is working on getting as many of the HALA changes as possible into the pipeline before the end of his term, with the expectation that changes that are in the pipeline by the time the new mayor comes into office will be passed within a year from now. Mr. Durning is less confident that these will be passed due to uncertainty around obstacles that could potentially interfere with this process:

- An environmental impact statement needs to be written for each proposed change to the zoning. These can be challenged, which can lead to delays and/or potential litigation.
- It is not clear what impact the upcoming mayoral race will have.

On the latter point, Sightline is trying to do work that will be relevant regardless of who is elected. Accordingly, it has updated its priorities as follows:

- Reducing its work on original analysis of MHA
- Continuing to offer input into official planning processes and comment on environmental impact statements
- Increasing its original work on projects like its "Seattle Neighbors" photo series

- Working to increase flexibility in single family zones ("gentle density"). It seems likely that this work could yield a city-wide liberalization of regulations of accessory dwelling units (ADUs), which could potentially add up to 45,000 additional housing units (more detail below).

There may ultimately be more new capacity in single-family zones than in other parts of the city. This would be good because the cost to build accessory dwelling units is lower and they have the potential for a lot of growth.

Support for and interest in the HALA recommendations among developers and business interests has been decreasing since the changes to the core downtown area were adopted. The mayor's office has written several proposals for MHA implementation which include higher numbers for the size of the inclusionary mandate and the fee per square foot than Mr. Durning thinks were conceptually agreed to in the HALA compromise and would be ideal in terms of maximizing affordability.

### **Liberalizing regulations of ADUs**

The HALA recommendations for ADU regulation were based on the regulatory structure in Vancouver, where 35% of single family lots have ADUs, as compared to 1% in Seattle. The goal of the HALA recommendations was to create 50,000 additional units of housing (30,000 at market rate and 20,000 subsidized) over 10 years. While the political attention is on MHA, the current MHA plans do not seem likely to produce 50,000 new units, and it is possible that liberalizing ADU regulations is a more direct path to increasing total units of housing. If there were proportionally as many ADUs on single family lots in Seattle as in Vancouver, this would create 45,000 additional units of housing (out of a current total of 300,000 units), though this would likely take several decades.

Mr. Durning is not aware of any other organized interest groups working on ADU regulations.

#### *Current status of the ADU proposal*

A proposal to liberalize ADU regulations is on hold while it goes through a review process. An environmental impact statement is currently being written for the proposal, which Sightline has been weighing in on to help ensure that it deals with displacement risk appropriately.

#### *Support for the ADU proposal*

Most of the support for this proposal has come from the city council (rather than the mayor's office), which makes this a good target for Sightline's attention. Public support for ADUs has increased as a result of the HALA debate, so it's possible that the proposal will pass with little controversy.

## **Streamlining the permitting process for new housing**

In Seattle, there are three types of review that housing construction projects can go through:

1. **Design review**, which is a participatory process in which neighbors give input into new construction plans
2. **Environmental review** (for larger projects), which is required by the State Environmental Policy Act
3. **Historic review**

All of these review processes are used by opponents of housing growth to slow down housing construction. Since building delays reduce the supply and increase the cost of housing, HALA included a set of recommendations for streamlining the permitting process to enable new housing to be built more quickly. One of its top recommendations was to streamline design review (which can delay construction by up to 18 months), and the city has now submitted a proposal for this. Sightline will be commenting on the proposal and plans to write an article about it soon. Mr. Durning thinks that the proposal is a step in the right direction but could go further.

Of the three types of review, Mr. Durning expects to make the most progress on streamlining design review, though the city may also take steps to streamline environmental review. Historic review applies to relatively small areas of the city, and therefore is not a high priority.

### *Pre-certifying construction plans*

The city of Tacoma wrote an environmental impact statement on its entire comprehensive plan and pre-certified any new construction that complies with the plan. Sightline is arguing that Seattle should do something similar.

## **Parking**

There are 6-8 HALA recommendations related to parking. One is for parking benefit districts, in which parking is paid and the revenue is invested in local resources. Mr. Durning believes that once a neighborhood has bought into charging for parking because it's staked into the revenue, it will create enough of a constituency in the neighborhood that will push for other HALA-recommended parking reforms that are less initially popular. There are now about 6-8 cities that have parking benefit districts.

One proposal for implementing HALA's parking recommendations was to do a pilot parking benefit district on the assumption that once it becomes clear that the neighborhood in the pilot is benefiting from it, it will create demand in other neighborhoods. The city council is currently developing a plan that may include opportunities for more than one pilot.

## **Likelihood of future implementation of HALA recommendations**

While it seems unlikely that the next mayor of Seattle will strongly support HALA, housing will likely remain at the top of the political agenda. It is one of the top issues in all of the political campaigns in Seattle due to the fast rate of population growth and construction. There are 10,000 new apartments being built this year, which is a record rate of construction and nevertheless is not sufficient to keep up with population growth. Over the past six years Seattle's population has grown faster than ever before.

## **Plans for the future**

Sightline's main goal for the first half of 2018 is to pass the proposal to liberalize ADU regulations. It also plans to get micro-housing back on the agenda and to explore other ways to loosen restrictions in single family zones (e.g. small duplex, small triplex, stacked flats), though both of these are longer-term undertakings that will probably not be completed in 2018.

## **Micro-housing**

Sightline intends to get micro-housing back on the agenda but does not have a detailed plan for this. In the spring, Sightline will be organizing a speaker event about legalizing small housing, which it hopes will start to build momentum to get this re-evaluated. HALA included a recommendation to start rolling back the 2014 restrictions on the smallest and most affordable micro-apartments, but to date the city council and the mayor's office have had little interest in pursuing this.

## **Telling the HALA story**

Sightline plans to spend roughly another year working to implement the HALA recommendations in Seattle, after which it will shift its focus to telling the story of the impact that this had on housing in Seattle in order to encourage other cities to follow suit. It does not yet have a detailed plan for this work; it may include Sightline staff writing a lessons report and other pieces, commissioning third-party writers to tell the story (or interesting them in writing pieces through their own media outlets), and possibly making a video. Mr. Durning's hope is that after Sightline publishes a report and gets some media attention, it will get more invitations to give talks in other cities and communities.

## *Staffing changes*

Sightline's internal staffing needs will not change, but its existing staff will change the way they spend some of their time. Dan Bertolet, a senior researcher at Sightline, spends about 75% of his time on in-depth research projects and 25% providing detailed comment to city processes. He recently wrote a five-page letter in response to a draft design review proposal and commented on a draft environmental impact

statement for an MHA proposal. When the focus shifts to telling the HALA story and learning lessons, his work would likely shift as well.

*All Open Philanthropy Project conversations are available at <http://www.openphilanthropy.org/research/conversations>*