

A Better Alternative

The City Council's Ballot Measure is Preferable to the Latest Social Housing Initiative

Date: September 18, 2024

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By John Fox, Alice Woldt, Gary Clark, the Reverend David Bloom, George Howland, Jr. and Joe Martin.

It was worth the wait.

On Monday, September 16, after nearly 40 days, the Seattle City Council released its alternative to Initiative 137 (I-137), the ballot measure that funds social housing. The council's alternative improves on I-137 in many areas.

According to the Seattle City Charter, when a citizen initiative collects enough signatures to appear on the ballot, as I-137 has, the council has three choices: it can pass the initiative into law; it can put the initiative by itself on the ballot; or it can put the initiative on the ballot alongside an alternative that the council itself develops.

I-137 desperately needed an alternative. The initiative, sponsored by [House Our Neighbors](#), would fund the [Seattle Social Housing Developer](#) (SSHD) to build or acquire apartment buildings that would be mixed income, publicly owned, and collectively operated. Last year, Seattle voters approved [another initiative](#) from House Our Neighbors that created the necessary government framework to build social housing, but not to fund it. At the time, proponents claimed no city funding would be needed; that any projects they'd create would rely on other income sources including state tax credits, bonding and high rents charged to higher income households in their buildings.

I-137 has several major flaws that the council's alternative rectifies.

First, I-137 is seeking a massive amount of new revenue—\$52 million a year to fund, in perpetuity, SSHD and its projects. Effectively, House Our Neighbors is asking voters to fund the SSHD without any oversight. As if the SSHD could instantly undertake housing development efficiently and cost effectively—a skill that took decades for other nonprofits to hone.

The council's alternative is still generous, committing \$10 million annually to SSHD but from existing revenue sources and for five years only. In addition, any money that the city appropriates and SSHD does not use within three years would be returned to the City of Seattle's Office of Housing and made available to all the nonprofits seeking funds for their low-income housing projects. The council's alternative is a "pilot project," not a cookie jar always open regardless of performance—something far more appropriate for a start-up housing developer. (The council's alternative does have the drawback that it doesn't raise new money for social housing but relies on existing funds that would otherwise fund strictly low-income housing projects.)

Second, I-137 would mostly serve relatively prosperous people. According to I-137's own figures, people making between 80 percent and 120 percent of the average median income (AMI) would occupy [46 percent of SSHD's apartments](#). As single households, these are individuals who make between [\\$84,000 and \\$126,000 a year](#). They don't need government housing.

Instead, the council's alternative would cap social housing residents' income at 80 percent AMI. While we would prefer a much lower cap—set even lower than the normal city standard of 60 percent AMI (\$63,000 for an individual) for publicly funded apartments—an 80 percent cap is a huge improvement over I-137.

Third, I-137 is completely lacking in sufficient oversight. Currently the SSHD has a board that lacks the necessary expertise and experience to oversee the construction of public housing.

In contrast, the council's alternative requires the SSHD to follow performance standards and provide a yearly review. These include: the requirement that the SSHD must hire fiscal agents with expertise to keep track of their budget, expenses and income, and the developer must submit regular reports to the Office of Housing.

Fourth, SSHD says it will avoid displacement of low-income tenants in existing buildings they acquire and renovate. It's a hollow promise given that most existing tenants move during renovations. When they move, SSHD's charter makes clear these units will be filled with wealthier tenants paying higher rents, in order to fit their "mixed-income" model.

Under the council's alternative, SSHD must comply with the City of Seattle's criteria and housing policies governing the use of city housing dollars. The city's policies include preventing the displacement of low-income tenants when an existing lower-cost, market-rate apartment building is acquired, renovated and converted to public housing.

Finally, I-137 provides too little housing for the poorest of the poor. For example, after 10 years and \$520 million, I-137's supporters project that the SSHD would only build 60 apartments for homeless people. The other 1,940 apartments would be for people with higher incomes.

The council's alternative would, instead, require the SSHD to follow a detailed set of rules that mandate the developer to use funds only on projects and for apartments serving a mixed-income population with an emphasis on assisting those at the bottom including the homeless. This also overcomes a fundamental legal concern with the initiative. It's an egregious violation of the Washington State's Constitution to give away city dollars to independent groups, like the SSHD, that are building projects serving higher income groups and not "the poor and infirm."

Despite some issues we still have with the Seattle City Council's alternative, the politicians have come forward with a reasonably good choice that is much preferable to I-137. This coming Thursday, September 19, the Council is scheduled to vote on what will be on the ballot in February 2025: I-137 by itself or accompanied by their alternative. In the face of opposition from the large coalition assembled by I-137's backers, the council must hold firm and put both measures on the ballot.

(Organizational affiliations listed for identification purposes only)

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