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WEBER+THOMPSON

This is an artist's rendering of the ICON Tower that will be built at 600 Wall St. The 290-foot-tall high-rise will be a residential tower.



OPUS NORTHWEST

The residential development planned for 1521 Second Ave., near Pike Place Market, is seen in this artist's rendering.



OPUS NORTHWEST

This is an artist's photo rendering of the residential building to be

constructed at 1521 Second Ave.
The new downtown regulations mean it can rise 38 stories, versus 24 stories previously.

Trading height for affordable housing

The Mayor's office is considering new rules in neighborhoods near downtown that would allow developers to build higher residential buildings, on condition they provide some housing that's affordable to middle-income residents. The revised height limits in some of those areas would be around 125 feet, not the 400 feet allowed in downtown zones.

New projects

Most residential projects seeking development approval in the year since new regulations were passed for downtown Seattle plan to take full or near-full advantage of increased height limits.

Project Proposed units

1521 2nd Ave. 143

2000 3rd Ave. 431

2301 6th Ave. 646

1823 Minor Ave. 412

600 Wall St. 224*

2105 6th Ave. 327

1430 2nd Ave. 200

901 Lenora N/A

815 Pine St. 400

1921 5th Ave. 166

*Seeks to rise 290 feet, well below the 400-foot maximum allowed.

Source: Seattle Department of Planning and Development

Information in this story, originally published on September 9, 2007, was corrected on September 15, 2007. A map accompanying this story on the cover of Sunday's business section about a proposal to increase height limits near downtown Seattle inaccurately portrayed the southern boundary of the South Downtown neighborhood up for review.

The southern boundary is Holgate Street, not Spokane Street. **Seattle buildings going tall for the middle class**

By Amy Martinez

Seattle Times business reporter

Developers might soon have to provide more apartments and condominiums that moderate-wage workers can afford if they want to put up taller residential buildings near downtown Seattle.

Mayor Greg Nickels is considering a proposal to raise height limits on residential buildings in the Interbay, South Lake Union and South Downtown neighborhoods — on the condition that developers create some units for people who make too much money to qualify for government-subsidized housing, but not enough to buy one of the pricey condominiums going up downtown.

The idea is to ensure a "stock of housing for the middle class," said Deputy Mayor Tim Ceis. Although he expects some resistance from developers, he predicts they'll ultimately go along. "We have a pretty progressive development community, and I think we'll work this out with them soon," Ceis said.

The proposal follows what officials term a good start to a similar trade-off offered in downtown itself. (See adjacent story.)

City planners said they'll begin with the Interbay neighborhood around Dravus Street. The industrial and commercial area, which is bounded by BN Railroad tracks, the Emerson Street overpass, 15th Avenue West and the Interbay golf course, could see residential building-height limits raised from 40 to 125 feet.

Diane Sugimura, director of the Planning and Development Department, said a formal proposal for Interbay's Dravus area is likely to go before the City Council this year, followed by proposals for South Downtown and South Lake Union next year.

Developers would be able to qualify for increased height limits by setting aside some units for moderate-wage workers, paying others to build the units nearby, or donating land for developments with moderate-wage workers in mind, said Office of Housing Director Adrienne Quinn.

"The goal is that we actually get the housing built, not that developers write a check," she said. "We want to make sure our city is a place where all people can live, and right now, portions of the middle class are being priced out of the market."

The Mayor's Office appears intent on taking a slightly different approach from last year, when it made new height limits downtown contingent on developers paying into an affordable-housing fund for low-income people. Now it says it wants developers to directly provide housing for middle-income people in exchange for being allowed to build to new heights.

"We do pretty well for low-income housing. Where we haven't been effective is the working-family-level housing opportunities," Ceis said.

Over the past two decades, various city programs have produced nearly 10,000 homes for low-income people, according to the Office of Housing.

In the year since the new downtown height limits took effect, two residential projects being built under those rules have committed to pay the city \$2.3 million to be used for low-income housing.

Another project promises to build \$1.5 million worth of low-income housing. The total of \$3.8 million is supposed to pay for construction of 76 low-income-housing units, Quinn said.

Only individuals earning just under \$42,000, which is 80 percent of the median annual income, qualify for housing subsidized by the city, Quinn said.

But individuals making up to \$64,000, such as teachers, firefighters and nurses, also find themselves priced out of Seattle, she said. For new condos in Seattle, the median price — meaning half cost more, half less — is above \$350,000, requiring an annual income of more than \$74,000, according to the Office of Housing.

With developers taking a more active role and providing the housing themselves, she said, homeownership

opportunities could open up to people making between 80 and 120 percent of the median.

Carla Okigwe, executive director of the Housing Development Consortium in Seattle, which represents not-for-profit home developers, said something needs to be done for moderate-wage workers.

"The programs we've historically had are focused on people who are pretty low-income, and there's been a little bit of assistance for first-time homebuyers, but there traditionally has not been anything for the next rung up," she said.

"Downtown has a number of developments for low-income people and luxury condominiums right nearby, and nothing in between."

But Garrett Huffman, a government-affairs manager with the Master Builders Association of King and Snohomish Counties, said cities elsewhere have tried to encourage development of affordable housing with disappointing results. Developers typically pass the costs of providing affordable housing onto other buyers, he said, driving up prices for all but a select few.

Huffman argues that Seattle's affordable-housing crunch could be solved with fewer, not more, restrictions, which in turn would stimulate development and bring supply in line with demand.

"You have to put more units on the market, so there's not so much competition for each unit," he said.

In cities with regulations similar to what Seattle is considering, tensions have arisen between buyers of market-rate units and residents of considerably less means in the same buildings, he said.

Clete Casper, managing director of CarrAmerica, which owns about five acres with the potential for up to 1 million square feet of new buildings in South Lake Union, said he's "open to the possibility" of providing housing for moderate-wage workers. "We want to listen to the viewpoints and create a structure that actually results in a long-term, intelligent plan," he said.

Jeff Thompson, a local real-estate investor and founding member of the Interbay Neighborhood Association, said the Dravus area is a "perfect place" for moderately priced housing. But he's not sure that requiring developers to provide the housing in exchange for putting up taller buildings would have the intended result. Such requirements tend to add to development costs, he said.

"We're not trying to reach the poorest or the richest. We're trying to hit the middle," he said. "But if we make it cost more, how do we do that?"

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