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May 20, 2024

Mayor Bruce Harrell
City Council
Office of Community Planning and Development
City of Seattle

Via email

RE: comments on the Draft Seattle Comprehensive Plan

Dear Mayor, Council and City Planners,

The current draft Seattle Comprehensive Plan (SCP) is a plan to fail. It is a plan to fail at righting the wrongs of racial segregations. It is a plan to fail low- and moderate-income people and renters across the city. It's especially a plan to fail the vision and values found in its first few pages. **As such, we urge you to adopt more bold and transformative planning goals and policies that sets us up for success.**

The draft SCP holds "a vision for the future … to make Seattle more equitable, livable, sustainable, and resilient for today's residents and generations to come." Given that the SCP maintains the previous growth strategies in place and, by its own admissions, can't come close to creating the affordable housing needed to comply with State and County objectives, this seems like wishful thinking. Instead, the SCP will continue to propel our city into two Seattles – welcoming to high-income people while excluding BIPOC working class families.

We argue that a successful SCP should center the very people the City officials wish would stay here, move here, or be born here. To sustain a multi-class, multi-racial society that powers our economy and culture through diversity, we need to keep in place our existing BIPOC communities and ensure there is land and housing for us in future generations.

<u>One or Two Seattles?</u>
BIPOC cultural communities and families will not be here in 2044, unless we do things differently. The hundreds of pages of demographic analysis authored by OPCD clearly show that we are losing low-income BIPOC households to displacement, especially those with families, and that our current housing policy will result in a massive shortfall of affordable units

for them in the future. High-tech jobs requiring talent from other countries will likely maintain some diversity for us, but we will have lost our BIPOC working class. And along with them, culturally networked neighborhoods that cannot be replaced.

The overwhelming amount of data that OPCD has produced for the SCP leads to a clear conclusion:

- We are planning a future that welcomes high-income families with children (mostly white) to "Urban Neighborhood" zones, while squeezing lower-income households (with few or no children) into tiny, 0-1 bedroom apartments in Urban and Regional Centers.
- Lower-income families with children, including multi-generational households, will simply find no housing in Seattle and be forced to live in the suburbs.
- Economic displacement will continue to shrink our low-income population, and cultural displacement will lead BIPOC communities to move out of Seattle to stay with their communities.

Even with unprecedented resources available through Jumpstart, the Housing Levy and MHA, OPCD estimates we can only build a third of the low-income housing that we need to give homes to current and new people. And these units will only house the *city's* current average household size (2.04 people), not the average family size from across the county, setting up a future for continued segregation by age, household size, race, and income.

<u>Transformation, Not More of the Same</u>

We need planning and policies that are transformative, scale to the need, and center the people left out of Seattle's prosperity – a more transformative strategy can address the root causes of displacement and truly plan for the multi-racial, multi-class city we want to live in.

We propose three strategies for the SCP that go hand in hand (with details to follow below):

1. Identify and establish measurable outcomes for racial equity;

2. Plan for a city that keeps our existing BIPOC, working class and low-income residents in place, and plans for growth of those populations;

3. Make a massive investment to remove as much land out of the speculative market and into permanently affordable, community or tenant-controlled (PACT) housing. This includes land trusts, co-operative housing, equitable development, and social housing.

<u>What is Permanently Affordable, Community or Tenant-controlled (PACT) Housing?</u>

Housing in the United States is broken, for many reasons. One root cause is simply the commodification of land and housing – housing is used for speculation and profit that enriches some at the expense of others. Recent outcomes of our housing system include 1) an unprecedented shift of single-family homes into corporate ownership, across the country, and 2) focus of capital investors in building only high-end housing in wealthy cities. Another result –

our current system of affordable housing, which fails to produce enough units, depends almost entirely on giving tax breaks to wealthy people and corporations.

With these forces at work, land will only become more expensive and housing more exclusive in the future (not to mention the effects of climate change). But there is a different strategy – one that sees land and housing as a resource to support community needs, a resource to be shared, nurtured and stewarded, a resource that builds community wealth—stabilizing and improving the lives of many people not just for individual wealth.

We believe that large-scale investments in permanently affordable, community or tenant owned housing (PACT housing) should be a centerpiece of the SCP. PACT housing addresses the root causes of displacement by investing in projects that permanently take land out of speculation, keep housing permanently affordable, and ensuring land is stewarded by the communities who live, work, or visit the land.[1] These are strategies that work around the world to keep housing affordable, and are already viable here. They include:

- Community-owned, permanently affordable housing and cultural facilities: the City's Equitable Development Initiative (EDI) has funded BIPOC-led organizations and other vulnerable communities to lead development in their neighborhoods. As community held assets, these projects remove land from speculation and can be collectively stewarded.
- Social Housing: this strategy, put to great use in Europe, makes housing available to all incomes, creates permanently affordability, and is held as a public good in perpetuity. In 2022, Seattle voters approved the establishment of a social housing developer with 57% of the vote.
- Tenant-owned housing: the biggest opportunity to move existing buildings into permanent affordability is to invest in the people who live in those buildings so they can buy and steward their buildings. Successful models already exist across the country and locally, including limited equity cooperatives, permanent real estate cooperatives, and tenant association-nonprofit partnerships.
- Community land trusts: land trusts ensure affordability of homes by taking the cost of land – typically 20% of property value – out of the equation. By owning the land under homes, single or multi-family, residents pay rent or mortgages only for the buildings, and remove the speculative value of that land from housing costs.

Based on the problems and solutions describe above, we propose specific changes to the SCP below.

[1] We also call this Community Stewardship of Land – see here for more details: https://www.communitystewardshipofland.org/

STRATEGY 1: Identify and establish measurable outcomes for racial equity

Under the Washington Growth Management Act, all cities must plan for adequate housing for expected population growth and take on a fair share of affordable units needed in their region. In turn, King County established Countywide Planning Policies in 2021 that requires Seattle to build 112,000 units through 2024.[2] However, the draft SCP's housing, land use and growth strategies are inadequate to keep our city economically and racially diverse.

At its core, the SCP makes the case that we already have enough land and the right zoning to accommodate our share of new housing. The plan's Housing Appendix lays out some important math to get us there. First, OPCD argues that because the County made based its projections on 2019, Seattle has already seen the construction and permitting of 32,000 units since then.[3] From now until 2044, the City claims we only need to plan for 80,000 units. But even within this smaller goal, the County still requires Seattle to meet the following affordability targets:

- 39% of new units must be for households at 30% AMI and below (31,100 units)
- 17% of new units must be for 30-50% AMI households (13,700 units)
- 7% of new units must be for 50-80% AMI households (5,700 units)

This means 50,000 of the 80,000 should be affordable. Why so many? It's crucial to understand that the County makes two important assumptions in calculating future need:

1. Unhoused people will be housed, and
2. Households that are paying more than 30% of their income right now will find units more affordable to them, letting higher income families fill the ones vacated.

Essentially, the County, and the GMA, expect us to make up for the units we should already have been producing over the last two decades to ensure people are housed at a cost they can afford.

So how does the SCP make the math work for these future units of affordable housing? City planners looked at available land for development and made assumptions about what can be built on it. For example, the City assumes that only large apartment buildings (50-80ft high) can be made affordable to households below 80% AMI.[4] So, as long as we have plenty of land, on paper, to build large apartment buildings, we can tell the County and State we have done our part.[5] Furthermore, the SCP authors claims that even under the "do nothing" alternative (#1), we already have enough zoning capacity for all new housing, including affordable homes. Case closed?

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[2] See King County Countywide Planning Policies. The State and County also require Seattle to absorb 159,000 jobs, but attracting jobs and the zoning to accommodate them are not Seattle's main challenge.
[3] The 32,000 figure is buried in a footnote of page 122 of the Housing Appendix. The 80,000 target is mentioned only once in the actual plan, on page 16.
[4] See Table 32 on page 116 of the Housing Appendix.
[5] See Table 34 for on page 122 of the Housing Appendix for this conclusion.

In 2044, when we look back, what will we see? Developers, and the real estate investors behind them, probably built more than enough high-end, market rate apartment and condominium buildings. Other developers built a fair number of town homes and needed "middle housing," which nonetheless are still unaffordable to households below 100% AMI.

But we will have absolutely failed to build 50,000 units affordable for households at 80% AMI and below. The SCP estimates that with all of our projected revenue sources, we only have enough to build ¼ of the needed units, with a $30 billion financing gap for the rest.[6]

In the end, the SCP assures us that we have adequate zoning to satisfy state law and County policy - and then uses magical thinking to expect the affordable outcomes. The SCP's suggestion for filling the $30 billion gap amounts to lobbying State and Federal governments. This is truly a plan to fail at our racial equity goals.

Instead of zoning math, we urge the City to establish growth targets based on who we want to welcome in Seattle – and then plan accordingly. The focus should be on building and preserving housing and communities for working class communities, and, at a minimum, maintaining the racial and income diversity we have. Given the long history of exclusionary zoning and racist policy that has resulted in dispossession of BIPOC households for over a century, we need a plan more than ever that shares Seattle's prosperity across race and class.

Racial Equity Goals and Policy Recommendations:

A. *Establish measurable population targets that imagines a city for working class and BIPOC residents. By 2044, we will:*

    - Maintain BIPOC diversity at current levels (45% of the population) or higher. Targets for Black and Indigenous residents could be benchmarked to earlier decades to recognize the disproportionate displacement they have experienced.
    - Match our average household size to the rest of the County's (2.66)[7] and increased our share of children by 50%.
    - Housed all unhoused people.
    - Maintain, or even increase, our current 56% city-wide proportion of low- and moderate-income households.
    - Preserve 50% of existing affordable housing units in older buildings as permanently affordable.

B. *Establish targets in **high displacement areas** that will keep residents in place and provide for displaced residents to return. By 2044:*

[6] See pages 132 and 133 of the Housing Appendix for more details.
[7] Page 45, Housing Appendix.

- Ensure that 30% of land and housing in high displacement areas is under public, not-profit, or community stewardship and is out of speculation.
- Preserve all existing, unsubsidized affordable housing as permanently affordability.
- Achieve County affordable production targets for each planning area of the city (e.g., 63% affordable to 80% AMI or below), not just overall.
- Achieve even more affordable targets for historically Black and Indigenous neighborhoods

STRATEGY 2: Plan for a city that keeps our existing BIPOC, working class and low-income residents in place, and plans for growth of those populations;

What will it take to ensure racial and income diversity? First, we need to center working class BIPOC communities in projecting the kind of housing we need.

Prioritize inclusion of family-sized housing units across all types of housing.
Over the past two decades, amidst the high-tech boom, developers have been building mostly 0-1 bedroom units in Seattle – in part because there is more money to be made catering to professional households without kids. Even non-profit housing developers have been unable to finance a significant number of family units. Meanwhile, in the rest of King County, the average unit size is 2.81 bedrooms. Similarly, the average household size in Seattle is 2.05, but it's 2.66 in the rest of the County.

The reality is that BIPOC and low-income households tend to be bigger and more likely to live in multi-generational households. Our analysis of census data (not in the Housing Appendix), shows the following breakdown of Seattle household size in 2020.[8]

Race	# of HHs	Population	Ave. HH Size
White	223,962	450,316	2.0
Black	19,768	47,823	2.4
Native	1,320	2,859	2.2
API	57,301	123,043	2.1
Other	1,094	3,411	3.1
2 or more	19,706	53,429	2.7
Latinx	22,056	54,622	2.5
	345,207	735,503	2.1

[8] Sage analysis of American Community Survey microdata, aggregated periods 2008-2012 and 2018-2022. Note that OPCD analyzed data from somewhat earlier time periods because 2022 data was not out yet. We obtained the microdata sample from the free, publicly accessible IPUMS USA website.

Furthermore, average family size has fallen for BIPOC households over the last decade, from 2.6 to 2.4 – which may indicate that larger BIPOC families are moving out of the city. Multi-generational households currently make up only 8 percent of households in Seattle and 15 percent of households in King County as a whole.

The result is that families are sorting themselves not only to lower their rent burden, but where they can live without over-crowding. High-earning couples, mostly white, that decide to have kids will have access to the only real family-sized choice housing in Seattle today – single family homes. But when low-income and BIPOC families grow their households, they will have few choices but to move to the suburbs. The resulting lack of diversity will undermine the culture, livability, and economic creativity of the city.

Family-sized Housing Goals and Policy Recommendations:

A. *25% of all new housing in Seattle should include 2 bedrooms or more, including public and non-profit built housing.*

B. *Existing buildings with affordable 2+ bedroom units should be the highest priority for preservation.*

C. *Create inclusive requirements and incentives for developers to build family-sized units throughout the city, including elimination of parking requirements in low displacement risk areas.*

D. *Create floor to area ratios in Urban Neighborhoods so that so that all detached and attached units can be 2 bedrooms or more.*

Greatly increase building size in low-density, low-displacement risk areas while protecting households in high-displacement areas with equitable zoning.

Seattle's urban village growth strategy has only increased displacement pressures on long-time BIPOC communities. A racial equity analysis completed for the last comprehensive plan found that the urban village strategy has resulted in insufficient housing supply, choice and affordability, severely impacted BIPOC communities, and failed to provide housing that is suitable and affordable for immigrants with multi-generational families[9]. While the new SCP repeats some of these findings, the proposed growth strategy falls far short of addressing the impacts of this or Seattle's racist zoning practices. It is simply not enough to undo the original policies – we have to find a way to repair the harm and ensure BIPOC communities are here to share in future prosperity.

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[9] https://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/Seattle'sComprehensivePlan/ComprehensivePlanRacialEquityAnalysisEngagementSummary.pdf.

We need a transformative approach to zoning that redistributes growth, produces enough units across income brackets, protects neighborhoods at high risk of displacement, makes possible return of displaced BIPOC households, and builds community wealth. It will require our most creative thinking and use of both existing and new anti-displacement policies and programs.

Anti-displacement Zoning Goals and Policy Recommendations:

A. *Rezone Urban Neighborhoods that are at low risk of displacement (and have not historically been BIPOC neighborhoods) to accommodate up to six units of housing on a parcel.*

   Neighborhoods that have not contributed new housing for the city's growth in the last two decades have indirectly added displacement pressure to BIPOC-majority communities, where land is cheaper than other parts of the city. To relieve that pressure, Urban Neighborhoods with low historic growth must begin accommodating new, more dense housing. Considering how much land single family neighborhoods take up, the proposal for six acres per parcel is still a low bar for the next 20 years. However, if we pair this zoning change with another (see strategy B, below) that allows denser affordable housing, the city can ensure affordable developers can buy land without competing with for-profit speculators.

B. *Create an advantage to affordable and PACT housing developers by allowing up to twenty units of housing on parcels at least 10,000 sq. of area (essentially, low-rise construction), if permanently affordable at 80% AMI and below. This would apply only to low-displacement risk areas.*

   Paired with proposal A, above, the city can encourage low-rise development in single family neighborhoods without driving up the price of land for affordable housing – which has held back many projects following upzones. Instead of competing for land with for-profit developers, affordable housing builders can be first in line for the best parcels to develop. This will help frontload the affordable units we need to meet GMA projections and give PACT developers time to assemble land for pilot projects. If the strategy succeeds in the first 10 years, the City can open zoning for similar market rate development as well.

C. *Use all 25% of State-allowed exemptions in HB 1110 to protect neighborhoods at highest risk of displacement according to both the 2022 and <u>2016</u> displacement risk index.*

   The draft SCP proposes to protect neighborhoods at high risk of displacement by maintaining current single-family zoning rules in those neighborhoods. Although recent changes to State planning code bans most single-family zoning across Washington (HB 1110), cities are allowed to exempt up to 25% of their land from this ban. The SCP

proposes using 15% of this exemption for areas at high risk of displacement. This strategy aligns with our other proposals and wins our support.

However, the city should use the full 25% allotted by the State to also include neighborhoods *that were at high risk of displacement in 2016.* Comparing the displacement risk map from 2016 with the new one reveals that high risk areas have shrunk. The updated map now shows a higher concentration of displacement risk in smaller areas. OPCD explains in the Anti-displacement Framework report that the likely cause for shrinkage was displacement of vulnerable communities.[10] These neighborhoods include all Chinatown–International District, Central District, Rainier Valley, Rainier Beach, South Park, and Highpoint.

To prevent further displacement in these neighborhoods, we think the 25% exemption should be allocated to the full set of 2016 neighborhoods at highest risk of displacement.

D. *Add back all neighborhood centers studied in the DEIS, outside of areas at high risk of displacement.*

We are not alone in calling for the neighborhood centers proposed in the DEIS Scoping Report to be added back in the proposed land use map, including in Alki, Seward Park, North Broadway, North Magnolia, and Northlake. We also agree with the suggestion to increase the radius of Neighborhood Centers from 800 feet to ¼ mile. However, neighborhood centers should not be established in high displacement areas. In areas with high risk of displacement in either the 2016 or 2022 displacement risk index, we need tailored policy to keep communities in place, facilitate return, and increase resilience.

E. *Add back all policy and program proposals that were removed from the draft Anti-displacement Framework produced last August.*

An original version of the Anti-displacement Framework proposed by OPCD last August (as revealed in recent news articles) promoted many new tools and strategies that were inexplicitly dropped from the draft SCP. The removed policies and programs included community ownership and development of land, pathways for displaced households to return to Seattle, and equitable benefits from public investments, just to mention a few. For the most part, the anti-displacement strategies and programs left in the Framework (and in the draft SCP) are merely continuations of existing programs. We must note that the Framework was developed by OPCD based on extensive engagement with BIPOC

[10] Anti-Displacement Framework Appendixes, p. 6 "...given the measures listed above, it likely means that the vulnerable populations reflected in about half of the data that comprise this index decreased between its 2016 and 2022 versions. In other words, during that time, people moved away, many because of displacement, and are therefore no longer as visibly concentrated in many neighborhoods..."

communities, including six reports from BIPOC-led organizations. This begs the question whether the time and energy of participants in the engagement process was wasted by the City, and whether people will trust OPCD again. **As such, we expect the City to return all removed policy and program ideas to honor community work and insights.**

One of the proposals removed was phase two of Equitable Development Zoning, which continued policy adopted by City Council in 2023. CM Tammy Morales recently proposed this idea as the "Connected Communities Pilot," expecting Council to follow through on previous work. Council did not adopt the proposal, in part stating that the comprehensive plan should be adopted first. For that reason alone, Phase 2 of Equitable Development Zoning should be returned to the Anti-displacement Framework and listed as a land use policy.

F. *In areas with medium to high risk of displacement, adjust MHA requirements so that adequate affordable housing units are being created to maintain minimum neighborhood goals. This includes increasing the number of units per development and on-site production.*

Mandatory Housing Affordability (MHA) has produced very few on-site units in the C/ID and in other high-displacement areas of the city. Most developers are paying the in-lieu fee. But with such little land available, we need stronger onsite production of units in market rate buildings – or more in-lieu fees to help purchase the more expensive land. Overall, we believe that the gentrification effect of MHA upzones has outweighed the benefits of developer contributions to affordable housing, especially in the C/ID. It is time to revisit the level of inclusionary requirements in high displacement risk areas.

Implement a robust equitable transit-oriented development program.

Surprisingly, the draft SCP lacks explicit transit-oriented development policies. Although Sound Transit's construction of light rail in Seattle represents their largest single investment in the region, the SCP barely mentions transit-oriented development (TOD) and equitable transit-oriented development (ETOD) even less. We realize that the City's growth strategies have focused on existing transit corridors and hubs, but that cannot substitute for applying racial equity to development around the new stations.

OPCD clearly and frequently acknowledges in the draft SCP documents that light rail construction results in higher land values, rents, and displacement in equity areas. For most of the majority-BIPOC neighborhoods that have received light rail investment in the South end, we've been in a race between market rate and non-profit developers to buy land, and the City's ETOD strategy has largely been wishful thinking that MHA will create enough local units – which it hasn't. For these reasons, an ETOD framework should be explicitly driving station area planning in combination with other anti-displacement strategies.

ETOD Zoning Goals and Policy Recommendations:

A. *Elevate ETOD from a mere policy in the Growth Strategy Section to a new subsection, alongside Major Institutions, Parks and Open Space, and Annexation.*

B. *Establish a goal that 30% of all housing produced around new light rail transit stations is affordable at 80% AMI or below.*

C. *Create station area zoning that requires new development to include usable open spaces, cultural facilities, small business commercial space (under 1,500 sf), affordable housing, and amenities that center low-income families and communities.*

D. *Strategically buy land for Sound Transit construction staging so that it can be converted afterwards to affordable housing, prioritizing PACT housing, social housing, and local community development efforts.*

E. *ETOD for new stations in high displacement areas should develop according to community vision and led by community-based organizations with support from EDI.*

F. *Prioritize infrastructure investment to support community visioning for ETOD.*

STRATEGY 3: Make a massive investment to shift land out of the speculative market and into permanently affordable, community or tenant-controlled (PACT) housing, including social housing.

The long-term solution to displacement is a proliferation of housing that is permanently affordable and controlled by tenants, community or public development authorities such as the social housing PDA (see our description of PACT housing at the beginning of our letter). Neighborhoods that have 30% of land owned by the community or public are more likely to stabilize, keep existing low-income residents, and maintain cultural anchors, in the face of gentrification.

Despite mentions of existing programs, such as the social housing PDA and the City's Equitable Development Initiative, at the beginning, the proposed plan makes no commitment to adequately funded and protect these programs, let alone expand them. We will simply not achieve racial equity in planning and land use unless we expand and add to these program, backed by large-scale revenues to purchase land.

PACT Housing Funding Goals and Policies for the Comprehensive Plan:

A. *Make a commitment to raising large-scale progressive revenue (in the billions), like Jumpstart, to adequately fund preservation and new construction of affordable housing.*

   The housing appendix suggests that the way to close the projected $30 billion gap to produce the over 80,000 units below 80% AMI we need is to advocate for more federal LIHTC and other federal programs. We cannot wait for the federal government to act. We need the city to prioritize additional progressive revenue for affordable housing production.

B. *Invest in preservation of "naturally" occurring affordable housing and housing, including where subsidies such as LIHTC and/or project-based Section 8 are expiring.*

   The vast majority of the city's renters live in multifamily housing[11] and this housing stock is often most targeted by speculators and developers and most at risk for displacing low-income and/or BIPOC tenants if they succeed. The city should create a robust program to preserve this housing stock by encouraging tenant and community purchase of these properties and ensuring permanent affordability. Investing in tenant and/or community acquisition of existing 'naturally occurring' affordable housing is cheaper than constructing new housing, stabilizes communities more effectively, and can build the generational and community wealth that renting simply does not.

C. *Direct 25% of City affordable housing revenue to production of PACT housing, including social housing.*

   Across affordable housing programs, the city should be ensuring that our investments produce affordability not just for 12 years (MTFE), 30 years (LIHTC), or 40 years (State Housing Trust Fund), but permanently.[12] PACT housing creates restrictions in perpetuity for both affordability and community or public ownership.

E. *Add the Equitable Development Initiative (EDI) as a comprehensive plan policy and commit to expand funding in the future.*

   The section titled "Housing Security and Stable Communities" in the draft SCP highlights the City's EDI program as an important tool to fight displacement[13], but it lacks an EDI-specific policy that explains its importance and the City's commitment to funding it.

   The EDI fosters community leadership and supports organizations to promote equitable access to housing, jobs, education, parks, cultural expression, healthy food and other

[11] Draft Housing Appendix, Page 70.
[12] MFTE = Seattle's Multi-family Tax Exemption program; LIHTC = Federal Low-income Housing Tax Credit.
[13] SCP, p. 99.

community needs and amenities. The program has been incredibly successful, awarding over $100 million to community-led organizations to lead development of community projects. OPCD offers a description of all the funded projects that are truly inspirational and demonstrate the creativity and innovation community-based organizations bring to development and affordable housing.

The need, however, is greater than current resources. In the last funding cycle alone, over 80 applicants were turned down for funding. Even worse, so far in 2024 the City has not made any notice to communities to apply for funding, and may try to take back the funds to fill a 2025 budget deficit.

Conclusion

Given a projected shortfall of 27,500 units of affordable housing by 2044, no real means to ensure creation of family-sized units, and no measurable goals for being racially inclusive, the current draft SCP is a plan to fail – especially fail BIPOC communities. But it doesn't have to be that way. We hope that City planners and elected officials will take more time to be bold and include planning and policies that are transformative, scale to the need, and center the people left out of Seattle's prosperity.

Sincerely,

Chrissy Shimizu, Executive Director
with
Howard Greenwich, Research Director
Eliana Horn, Community Stewardship of Land Policy Analyst