

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to tree protection; balancing the need for housing production and increasing tree protections; and amending Sections 23.44.020, 23.47A.016, 23.48.055, 23.76.004, 23.76.006, and Chapter 25.11 of the Seattle Municipal Code.

Summary and Background of the Legislation: This legislation updates Title 23 (Land Use Code) and Chapter 25.11 (Tree Protection Code). The legislation is applicable citywide, largely in the Neighborhood Residential, Lowrise, Midrise, commercial and Seattle Mixed zones.

The update to the Tree Code includes the following changes:

- Expands the types and sizes of trees that are regulated and includes three new categories. The updated categories are as follows:
 - Tier 1, which consists of all heritage trees;
 - Tier 2, which encompasses the current exceptional category but with a reduced size threshold;
 - Tier 3, which includes all trees 12 inches or greater in diameter that do not fall under Tier 2; and
 - Tier 4, which includes all trees 6 inches or greater in diameter that do not fall under Tier 2 or Tier 3.
- Applies replacement requirements to include both Tier 2 and Tier 3 trees
- Uses 85% development coverage to measure zoned development capacity in place of floor area ratio (FAR) in the zones allowing multifamily use
- Simplifies provisions, including allowing development standards to be modified to aid in tree preservation as an administrative process without requiring Design Review, while maintaining Design Review as an option in multifamily and commercial zones
- Establishes a payment option for tree replacement using one for one replacement for smaller trees and trunk area calculation for larger trees (payment in-lieu)
- Supports administration of the updated code with tracking of tree preservation, removal, and replacement
- Requires installation of street trees for certain new residential development
- Requires replacement of Tier 1, 2 and 3 trees when removed as hazardous

For additional detail, please see Summary Attachment 1 – Expanded Summary of Code Changes.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2026:
Urban Forestry Capital Establishment (SDOT)	MC-TR-C050	Citywide	2024	Ongoing	\$1,270,000
Urban Forestry-Tree Replacement (PRK)	MC-PR-41011	Citywide	2024	Ongoing	\$570,000

- This legislation does not affect the 2023 Adopted CIP but it does provide future CIP funding. Revenue from this legislation is not anticipated to be received until 2024.
- CIP funding is provided from the payment in lieu program established in this legislation. Payment in lieu fees pay for tree planting as well as 5 years of tree establishment costs (watering, trimming, etc.).
- Financial figures throughout this document are shown in inflated dollars using an annual inflation factor of 3%.
- These figures, and others related to funds from the payment in lieu program, assume that payment in lieu will be used in 1% of the cases where mitigation is required for tree removal. They also assume that usage of the program will ramp up at a steady rate from 2023 to 2025: in other words, 33% of its long-term capacity in 2023, 66% in 2024 and 100% in 2025.

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Appropriation change (\$):	General Fund \$		Other \$	
	2023	2024	2023	2024
	\$0	\$0	\$0	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2023	2024	2023	2024
	\$0	\$0	\$0	\$191,000
Positions affected:	No. of Positions		Total FTE Change	
	2023	2024	2023	2024
	0	0	.0	0

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

Yes. A companion bill provides the appropriations and positions necessary to implement this legislation. This associated cost and position information is also included here for

informational purposes. In addition, there are long-term financial implications as indicated below.

While the number of permit applications anticipated by SDCI would not be changed by adoption of this legislation, the number of applications that would include newly regulated trees would increase. This results in a need for additional SDCI staff to be funded by permit fees for permit reviews and site inspections. Additional funding by the General Fund for code compliance and enforcement work may be necessary in the future. In addition, starting five years after implementation of the legislation, SDOT and SPR will incur long-term maintenance costs for the trees planted under those capital programs.

New positions are also needed to support the tree tracking as part of the review and inspection process for permits reviewed under the updated tree code. SDCI has supported tree tracking for two years through temporary hires. One regular position will allow this work to continue to support the permit process. SDCI estimates the additional City employee time needed for ongoing implementation and enforcement of this legislation as follows:

POSITION	QUANTITY/TYPE	ANNUAL COST	FUND SOURCE
Land Use Environmental Analyst (permit reviewer)	1.0 FTE	\$161,000	Fees
Inspection Services Site Inspector	1.0 FTE	\$148,000	Fees
Land Use Management Systems Analyst Supervisor (tree tracking)	1.0 FTE	\$167,000	Fees
Total	3.0 FTE	\$476,000	Fees

Since this legislation is being considered mid-year, the 2023 fiscal impact for staffing costs is based on 6 months plus fleet costs.

In addition, starting five years after implementation of the legislation, SDOT and SPR will incur long-term maintenance costs for the trees planted under those capital programs as follows:

Projected City-Funded Maintenance Costs by Year For Trees Planted Using Payment In Lieu						
	2028	2029	2030	2031	...	2042
SDOT	\$18,000	\$67,000	\$141,000	\$213,000	...	\$948,000
SPR	\$26,000	\$82,000	\$150,000	\$198,000	...	\$817,000

- Financial figures throughout this document are shown in inflated dollars using an annual inflation factor of 3%.
- These figures, and others related to funds from the payment in lieu program, assume that payment in lieu will be used in 1% of the cases where mitigation is required for tree removal. They also assume that usage of the program will ramp up at a steady rate from 2023 to 2025: in other words, 33% of its long-term capacity in 2023, 66% in 2024 and 100% in 2025.

- The establishment period, which consists of the first five years of each tree’s growth, is treated as part of the capital investment and will be funded by the capital projects identified above. Thus, City-funded maintenance costs do not begin to accrue until the fifth year (2028).

Are there financial costs or other impacts of *not* implementing the legislation?

Yes. Not implementing the legislation could result in the loss of tree canopy coverage or impact the achievement of future canopy cover goals over time in the Neighborhood Residential, Lowrise, Midrise, commercial, and Seattle Mixed zones. The citywide 2037 Urban Forest Management Plan (UFMP) canopy cover goal (set in 2007) is 30%, and the 2021 canopy cover assessment measured Seattle’s current canopy at 28% citywide. Additionally, not implementing the legislation could contribute to delay in the permit process for development projects that have tree reviews, which could slow housing production.

This legislation is an opportunity for the City to address inequitable canopy cover in neighborhoods where BIPOC residents and business owners live and work. The 2021 Canopy Cover Assessment provides an analysis that shows areas where people of color and people with low incomes live in Seattle are also the areas that have fewer environmental benefits and greater environmental burdens due to low canopy cover. Some of these communities are closer to the most heavily trafficked roadways and have poor air quality.

3.a. Appropriations

_____ This legislation adds, changes, or deletes appropriations.

Appropriations Notes: Although appropriations are not included in this bill, a companion bill will include the appropriations necessary to implement this legislation. The companion bill increases 2023 appropriations for the Construction and Inspections Fund (48100) by \$273,000 in in 2023 as follows:

- Budget Control Level BO-CI-U2200 – Land Use Services – \$164,000
- Budget Control Level BO-CI-U23A0 – Inspections – \$109,000

These changes assume position costs for 6 months in 2023 as well as a one-time fleet add in 2023 for a new site inspector position.

3.b. Revenues/Reimbursements

X This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept	Revenue Source	2023 Revenue	2024 Estimated Revenue
13000 – Transportation Fund	SDOT	Payments in lieu for tree removal mitigation	\$0	\$132,000
10200 – Park and Recreation Fund	SPR	Payments in lieu for tree removal mitigation	\$0	\$59,000
		TOTAL	\$0	\$191,000

Revenue/Reimbursement Notes: The revenue shown here is for the payment in lieu program. It therefore does not offset the SDCI staffing costs represented in the sections above. The revenue accrues to different funds: specifically, it funds the capital improvement programs identified in Section 2.

3.c. Positions

 This legislation adds, changes, or deletes positions.

Position Notes: Although appropriations are not included in this bill, a companion bill will include the positions necessary to implement this legislation. The companion bill includes the following three ongoing positions:

- FTE Environmental Analyst, SDCI (Land Use)
- FTE Site Inspector, SDCI (Inspection Services)
- Management Systems Analyst Supervisor (Land Use)

This is an initial estimate of FTE needs based on Subject Matter Expert (SME) input. The department will evaluate the project over time and determine if additional positions are required in the future.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

The City department with direct responsibility for implementation and enforcement of this legislation is the Seattle Department of Construction and Inspections (SDCI). Other departments have a supporting role, including Seattle Parks and Recreation (SPR) and the Seattle Department of Transportation (SDOT). These departments receive payments from the

payment in-lieu provisions and will use these payments to plant replacement trees. SDOT and SPR have been consulted and support this legislation.

b. Is a public hearing required for this legislation?

Yes.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes. Notices will be published in *The Daily Journal of Commerce* and in the City's Land Use Information Bulletin. The SEPA Draft legislation, the City's Determination, pursuant to environmental review under the State Environmental Policy Act (SEPA), was published on February 17, 2022.

d. Does this legislation affect a piece of property?

Yes. The legislation affects properties in zones applicable to SMC 25.11 which includes properties citywide, largely zoned Neighborhood Residential, Lowrise, Midrise, commercial and Seattle Mixed zones. The legislation also requires certain new development to plant street trees within the street right-of-way (ROW). If there is no room to plant trees in the street ROW, then a builder or property owner could elect the payment in-lieu option.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

This legislation helps plant trees in low canopy areas and/or low-income communities, many of which are BIPOC neighborhoods with public health disparities, including higher rates of asthma due to lower air quality than in higher tree canopy areas. This could be accomplished by either planting trees onsite when mitigation is required for tree removal and/or through the voluntary alternative to make a payment in-lieu of replanting on-site; in this case, the City will use the payment in lieu fees to plant trees elsewhere emphasizing neighborhoods with lower canopy cover. It is estimated that payments in-lieu alone will fund the planting of more than 3,000 trees over the next 20 years. As previously mentioned, data indicates that vulnerable and historically disadvantaged communities are most impacted by lower tree canopies in Seattle.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

This legislation will likely result in a small reduction of greenhouse gas emissions by reducing the energy needed to cool buildings during summer heat waves when preserved

and replanted trees provide shading. In addition, the legislation will likely foster other related tree benefits including carbon storage and sequestration.

2. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

This legislation increases Seattle’s resiliency and its ability to adapt to climate change by increasing tree protections (i.e., regulating more trees) together with the option to elect to make a payment in-lieu of replanting on-site. Documented resiliency benefits of the urban forest include shading and mitigation of stormwater impacts.

- g. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s).**

Not applicable.

Summary Attachments:

Summary Attachment 1 – Expanded Summary of Code Changes