



Amendments to Council Bill (CB) 118498 Sponsored by Councilmember O'Brien

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| <p>1. Amend CB 118498 to make technical corrections by inserting appropriate cross-references and clarifying submittal requirements for modifications to fee and performance requirements. This technical amendment is recommended by Law.</p> | <p>Section 1. A new Chapter 23.58B is added to Division 2, Authorized Uses and Development Standards, within Subtitle III, Land Use Regulations, of Title 23 of the Seattle Municipal Code as follows:</p> <p>Chapter 23.58B Affordable Housing Impact Mitigation Program for Commercial Development</p> <p style="text-align: center;">***</p> <p>23.58B.030 Modification of amount of payment or performance</p> <p style="padding-left: 40px;">A. General. An applicant may request from the Director a modification of the amount of mitigation required by Section 23.58B.040 or Section 23.58B.050. A request shall comply with the</p> |

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| | <p>following:</p> <ol style="list-style-type: none"><li data-bbox="562 347 1879 602">1. Prior to requesting a modification in accordance with subsection 23.58B.030.C or subsection 23.58B.030.D, the applicant shall have applied for any available modifications of development standards that would allow the applicant to utilize the increased commercial development capacity provided by amendments described in subsection 23.58B.010.A.1.<li data-bbox="562 643 1879 821">2. The request for modification shall be submitted as a part of the relevant permit application. <u>An applicant requesting a modification in accordance with subsection 23.58B.030.D shall also request any available modification under subsection 23.58B.030.B or subsection 23.58B.030.C.</u><li data-bbox="562 862 1879 1040">3. The request shall describe the scope and extent of the proposed modification. The applicant shall provide such additional information as may be required by the Director to make a determination on the request.<li data-bbox="562 1081 1879 1187">4. The Director shall consult with the Director of Housing in considering modification requests.<li data-bbox="562 1227 1879 1260">5. The applicant has the burden of proving that a modification is justified. <p style="text-align: center;">***</p> |

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| | <p data-bbox="659 272 932 305">D. Financial hardship</p> <p data-bbox="562 347 1881 672">1. The Director may modify the amount of mitigation required in accordance with Section 23.58B.040 or Section 23.58B.050 if the amount of mitigation, after any modification to which the applicant would be entitled in accordance with the standards of subsection 23.58B.030.B and subsection 23.58B.030.C, would cause a severe and unexpected financial hardship that outweighs the requirement's benefits in mitigating affordable housing impacts.</p> <p data-bbox="562 711 1776 818">2. The request for a modification authorized by subsection 23.58B.030.D.1 shall include, at a minimum, all of the following:</p> <ul style="list-style-type: none"> <li data-bbox="848 857 1356 889">a. The use of the site before the request; <li data-bbox="562 928 1814 1110">b. How application of the requirements for which the modification is being requested restricts the proposed use of the site compared to the restrictions that existed prior to the adoption of this Chapter 23.58B; <li data-bbox="848 1149 1852 1182">c. The possible remaining uses of the site if the modification were not granted; <li data-bbox="848 1221 1873 1253">d. The uses of the site that would have been allowed prior to the adoption of this Chapter 23.58B; |

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| | <p style="text-align: center;">e. A comparison of the estimated amount and percentage of value lost as a result of the requirements versus the estimated amount and percentage of value lost as a result of requirements that existed prior to adoption of the requirements of this Chapter 23.58B <u>An appraisal prepared by a competent appraiser with a valuation date within thirty days of the modification request that (1) values the property taking into account the requirements of this Chapter 23.58B as well as any increase in commercial development capacity provided at the time reference to this Chapter 23.58B is made in the provisions of the zone in which the property is located or at the time of a contract rezone, and (2) values the property absent those requirements and absent any such increase in development capacity;</u> and</p> <p style="text-align: center;">f. The feasibility of altering the project to apply the requirements of this Chapter 23.58B.</p> <p style="text-align: center;">***</p> |
| <p>2. Amend CB 118498 to establish the units produced under the Mandatory Housing Affordability Program will be measured as <i>net new income and</i></p> | <p>Section 1. A new Chapter 23.58B is added to Division 2, Authorized Uses and Development Standards, within Subtitle III, Land Use Regulations, of Title 23 of the Seattle Municipal Code as follows:</p> |

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| <p><i>rent restricted units.</i></p> | <p>Chapter 23.58B Affordable Housing Impact Mitigation Program for Commercial Development</p> <p style="text-align: center;">***</p> <p>23.58B.010 Intent for implementation</p> <p style="text-align: center;">***</p> <p style="padding-left: 40px;">B. Amendment of payment and performance amounts</p> <p style="padding-left: 80px;">1. Initial implementation phase review. The Council recognizes that amendments to the payment and performance amounts provided in this Chapter 23.58B may be needed during the initial implementation phase described in subsection 23.58B.010.A.2 to further the target production level of no fewer than 6,000 <u>net new rent and income restricted</u> affordable units for households with incomes no higher than 60 percent of median income over a ten-year period described in the July 13, 2015 Statement of Intent for Basic Framework for Mandatory Inclusionary Housing and Commercial Linkage Fee. Such amendments could include changes to the payment and performance amounts in Table A for 23.58B.040, Table B for 23.58B.040, Table A for 23.58B.050, and Table B for 23.58B.050, and adding amounts for additional zones or portions of zones in connection with rezones of specific subareas such as portions of the University District. The Council intends that amendments</p> |

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| | <p>during the initial implementation phase be preceded by a robust stakeholder engagement process including representatives of the for-profit and non-profit development sectors who participated in the July 13, 2015 Statement of Intent for Basic Framework for Mandatory Inclusionary Housing and Commercial Linkage Fee.</p> <p>2. Ongoing review. The Council directs that, during the first six months of 2018 and every two years after July 1, 2018, the Director prepare a report on the performance of the mandatory inclusionary housing program described in the July 13, 2015 Statement of Intent for Basic Framework for Mandatory Inclusionary Housing and Commercial Linkage Fee, and the affordable housing impact mitigation program provided in this Chapter 23.58B, including the amount of payments collected under the payment option, the number of affordable housing units produced and preserved with such payments, and the number of affordable housing units constructed under the performance option. <u>Units produced under the mandatory inclusionary housing program described in the July 13, 2015 Statement of Intent for Basic Framework for Mandatory Inclusionary Housing and Commercial Linkage Fee, and the affordable housing impact mitigation program provided in this Chapter 23.58B, shall be measured as net new units. Existing rent and income restricted affordable units demolished for development</u></p> |

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| | <p><u>subject to the programs are subtracted from the target production.</u></p> <p style="text-align: center;">***</p> |
| <p>3. Amend both CB 118498 Resolution 31612 to affirm the Council’s intent to enact upzones or changes in development standards for the South Lake Union and Downtown Urban Centers by the end of September 2017 .</p> | <p>A. Amendments to CB 118498</p> <p style="padding-left: 40px;">Section 1. A new Chapter 23.58B is added to Division 2, Authorized Uses and Development Standards, within Subtitle III, Land Use Regulations, of Title 23 of the Seattle Municipal Code as follows:</p> <p>Chapter 23.58B Affordable Housing Impact Mitigation Program for Commercial Development</p> <p>23.58B.010 Intent for implementation</p> <p style="padding-left: 40px;">A. Application of this Chapter 23.58B</p> <p style="padding-left: 80px;">1. The provisions of this Chapter 23.58B apply in areas for which the provisions of the zone specifically refer to this Chapter 23.58B, or through the terms of a contract rezone in accordance with Section 23.34.004. The Council intends that references to this Chapter 23.58B be made in the provisions of zones in conjunction with:</p> <p style="padding-left: 120px;">a. Land Use Code amendments increasing commercial development capacity in the zone through increases in allowable FAR and/or height or other measures;</p> |

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| | <p style="padding-left: 40px;">b. Land Use Map amendments increasing commercial development capacity in an area; or</p> <p style="padding-left: 40px;">c. A combination of Land Use Code and Land Use Map amendments increasing commercial development capacity in an area.</p> <p style="padding-left: 20px;">2. The Council intends that the initial implementation phase of enacting amendments described in subsection 23.58B.010.A.1 will consist of:</p> <p style="padding-left: 40px;">a. An increase in FAR and/or height for all zones in the Downtown and South Lake Union Urban Centers except the Downtown Harborfront 1 (DH-1), Pike Market Mixed (PMM), Seattle Mixed 85/65-160 (SM 85/65-160), Seattle Mixed 85-240 (SM 85-240), and Commercial 2-40 (C2-40) zones <u>to be enacted no later than September 2016</u>;</p> <p style="padding-left: 40px;">b. Zone-wide increases in development capacity in all Neighborhood Commercial (NC), Commercial (C), Seattle Mixed (SM), and Industrial Commercial (IC) zones outside the Downtown and South Lake Union Urban Centers <u>to be enacted no later than September 2017</u>; and</p> <p style="padding-left: 40px;">c. Increases in development capacity through rezones of any portions of the</p> |

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| | <p data-bbox="558 274 1879 380">University District that are upzoned in accordance with the University District urban design framework process.</p> <p data-bbox="1199 418 1245 438">***</p> <p data-bbox="606 459 1087 488">B. Amendment to Resolution 31612.</p> <p data-bbox="1104 531 1339 560" style="text-align: center;">Resolution 31612</p> <p data-bbox="558 604 1879 1000">Section 2. Successfully and quickly implementing the changes to zoning and land use regulations described in Section 1 will require: continuous, ongoing, and inclusive participation by the public; environmental review; ongoing affordable housing needs assessments; and implementation of programs to address impacts, such as transportation, parks, affordable childcare and preschool facilities, and open space impacts. The Council will only consider changes to land use and zoning if the following minimum outreach, planning, and mitigation requirements have been met.</p> <p data-bbox="1199 1040 1245 1060">***</p> <p data-bbox="558 1081 1743 1256">E. Implementation Timeline. The Council requests that the Mayor strive to meet the implementation timeline set out in Attachment B <u>in order to fully implement the program by September 2017.</u></p> <p data-bbox="1199 1299 1245 1318">***</p> |
| 4. Amend Resolution 31612 to request a | Section 2. Successfully and quickly implementing the changes to zoning and land use |

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| <p>displacement risk analysis and reporting on demolitions, construction and permitting.</p> | <p>regulations described in Section 1 will require: continuous, ongoing, and inclusive participation by the public; environmental review; ongoing affordable housing needs assessments; and implementation of programs to address impacts, such as transportation, parks, affordable childcare and preschool facilities, and open space impacts. The Council will only consider changes to land use and zoning if the following minimum outreach, planning, and mitigation requirements have been met.</p> <p style="text-align: center;">***</p> <p>C. Planning and Environmental Review. The Council requests that the Mayor develop necessary planning studies to inform decision makers and the public about proposed changes to zoning and land use regulations. Such studies should include, but are not limited to: (1) architectural massing studies that illustrate how increased development capacity would translate into the height, bulk and scale of new development relative to existing zoning and development; (2) view corridor studies from State Environmental Policy Act (SEPA) protected viewpoints; and (3) transportation, parks and open space impact studies; <u>and (4) analyses of the risk of displacement of current residents and businesses.</u> As appropriate, studies should be incorporated into environmental documents required under SEPA.</p> <p style="text-align: center;">***</p> <p>Section 3. The Council requests that the Mayor report quarterly to the Select Committee on</p> |

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| | <p>Housing Affordability. Reports should detail progress towards implementing changes to zoning and land use regulations. After the mandatory inclusionary housing program for residential development and an affordable housing impact mitigation program for commercial development have been implemented, the report should track progress towards creating 6,000 new dwelling units affordable to households with incomes at or below sixty percent of Area Median Income (AMI). <u>Annually, this report should also include broader information about housing construction including the number of housing units built, demolished and in permitting.</u> The first report should occur before the end of January 2016 and should include a proposed inclusive public engagement plan.</p> <p style="text-align: center;">***</p> |