

Director's Report and Recommendation Medical Use Exception

Proposal Summary

The proposal would amend the Land Use Code to allow certain existing medical service uses to expand to 20,000 square feet in size in Neighborhood Commercial 1 (NC1) zones. This allowance would be limited to medical service uses that are located in an urban center or urban village, and that provide medical services on a reduced fee schedule to clientele with low incomes.

Background

Medical services are currently limited to 10,000 square feet (sf) in size in NC1 zones. This prevents existing medical service uses in these areas from providing a broader range of health care to a larger number of clients, which can be appropriate in certain circumstances. In addition, a number of these clinics serve low-income clientele (at or below 200% of the federal poverty level). This is an important service to maintain the city's neighborhoods. Neighborhood-scale clinics provide a needed community service that can activate a neighborhood business district by creating walk-in/foot traffic that supports adjacent businesses and creates the vitality that many neighborhoods seek. If these services are not allowed to expand they could be forced to relocate, which could be in conflict with Comprehensive Plan goals and policies for mixed-use areas if these neighborhood-serving uses relocate to areas that are not accessible to pedestrians or via frequent transit service.

The current approach of community health care providers focuses on offering comprehensive medical services, including dentistry and case management, in order to address their clients' overall medical needs. This may require more space than previously anticipated based on the necessary equipment and associated health and safety requirements. Economies of scale can be used to facilitate the operation of a multi-faceted health care facility in an efficient and cost effective manner. However, this centralization can generate the need for slightly larger facilities in these unique situations, beyond what is currently allowed in NC1 zones. The ability to expand certain medical service uses up to 20,000 sf would allow such service providers to remain within neighborhood business districts, thereby complementing adjacent businesses while continuing to serve members of the community that experience challenges in meeting their health care needs.

Given the small number of such operations within the city, the impact associated with increasing their maximum size limit will not be significant with respect to the form and function of NC1 zoned neighborhoods. Continuing to provide health care facilities for the city's most vulnerable population is in keeping with citywide policies and practices.

Analysis

NC1 zones currently make up approximately five percent (247 acres) of the city's land. These zones exist both in and out of urban centers/urban villages in order to provide a modicum of neighborhood-serving retail. Typical non-residential uses housed within NC1 zones include coffee shops, dry cleaners, restaurants, and various boutiques/specialty shops. Medical and dental services also fall within the allowed uses for these zones, although the size of such facilities is limited to 10,000 sf.

Community health care providers that accept reduced fees for service and rely on outside funding to support their operations have a diminished ability to operate numerous facilities with separate functions. Expanding at their existing sites can offer the ability to maintain their current cost structure while providing additional health care options, such as dental services, within their allotted budget. Allowing these health care providers to expand operations at their existing locations within NC1 zones would allow greater access to medical and dental services by those who are most vulnerable within the community.

At present there are twenty medical service uses within NC1 zones within urban centers or villages. This classification includes clinics that provide medical and dental services. Nine of these uses provide only dental services. Four provide services to low-income individuals and families on a reduced fee basis. The following table provides a breakdown of existing medical service uses in NC1 zones located in urban centers and urban villages:

Type of Medical Service Use*	Number of Existing Medical Uses in NC1 Zones in Urban Villages and Urban Centers
Medical	11**
Dental only	9
Total	20

*Medical service use may be for-profit or non-profit.

**4 of 11 clinics serve low-income clientele (at or below 200% of the federal poverty level)

Expansion of existing medical service uses serving low-income clientele within these areas will allow these facilities to continue serving as anchors of neighborhood business districts while also serving a larger segment of the community. Relocating to a different zone that allows the necessary amount of non-residential square footage to accommodate their interest in providing broader health care options could separate them from their existing client base, potentially creating a hardship for lower-income individuals and families who rely on existing pedestrian and transportation infrastructure to access health care services.

Urban centers and villages typically provide a high level of transit, which is why uses that are located within 1,320 feet of frequent transit are currently exempt from providing parking on-site. Health care providers that serve low-income individuals and families do not generate as much auto traffic as other non-residential uses. This is because their services are provided on an appointment basis and low-income individuals and families are more likely to rely on transit. Given the small number of existing medical service uses serving low-income clientele in urban centers/urban villages within NC1 zones, allowing these healthcare providers the opportunity to grow their facilities by an additional 10,000 sf would not negatively impact existing NC1 zoned business areas. The total allowed area for the use would be limited to 20,000 sf. In addition, medical uses associated with a medical major institution would not be included, as these uses are governed by major institution master plan requirements. The proposed increase in size would allow for expansion of services into related areas of health care, such as adding a dental

clinic to an existing medical clinic with case management activities. This would be in keeping with the intent of the NC1 zone to create and foster business districts at a neighborhood scale, while providing the opportunity for businesses to evolve and respond to community needs over time.

Comprehensive Plan Consistency

The following Comprehensive Plan goals and policies are directly applicable to this proposal:

LUG17: Create strong and successful commercial and mixed-use areas that encourage business creation, expansion and vitality by allowing for a mix of business activities, while maintaining compatibility with the neighborhood-serving character of business districts, and the character of surrounding areas.

LUG18: Support the development and maintenance of areas with a wide range of characters and functions that provide for the employment, service, retail and housing needs of Seattle's existing and future population.

LUG20: Encourage diverse uses that contribute to the city's total employment base and provide the goods and services needed by the city's residents and businesses to locate and remain in the city's commercial areas.

LU103: Prioritize the preservation, improvement and expansion of existing commercial areas over the creation of new business districts.

LU104: Consistent with the urban village strategy, prefer the development of compact concentrated commercial areas, or nodes, in which many businesses can be easily accessed by pedestrians, to the designation of diffuse, sprawling commercial areas along arterials, which often require driving from one business to another.

LU105: Designate as mixed-use commercial areas, existing areas that provide locations for accommodating the employment, service, retail and housing needs of Seattle's existing and future population. Allow for a wide range in the character and function of individual areas consistent with the urban village strategy.

LU106: Provide a range of commercial zone classifications, which provide different mixes and intensities of activity, varying scales of development, varying degrees of residential or commercial orientation, and varying degrees of pedestrian or auto orientation and relationship to surrounding areas depending on their role in the urban village strategy and community goals as voiced in adopted neighborhood plans.

LU107: Distinguish between pedestrian-oriented commercial zones which are compatible with and easily accessible to their surrounding neighborhoods, and general commercial zones which are intended to accommodate commercial uses dependent on automobile or truck access.

LU108: Provide for a wide range of uses in commercial areas. Allow, prohibit or allow under specified conditions uses according to the intended pedestrian, automobile or residential

orientation of the area, the area's role in the urban village strategy and the impacts the uses can be expected to have on the commercial area and surrounding areas.

Recommendation

DPD recommends adoption of a limited exception to allow certain existing medical service uses in NC1 zones to occupy up to 20,000 square feet in area. The medical service uses would need to be located in an urban center or urban village, not be subject to a major institution master plan (MIMP), and serve low-income clientele.