

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
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1. BILL SUMMARY

- a. Legislation Title:** AN ORDINANCE relating to land use and zoning; amending Chapter 23.32 of the Seattle Municipal Code at pages 98, 99, and 100 of the Official Land Use Map to rezone land in the Uptown area; amending Sections 23.30.010, 23.45.517, 23.48.002, 23.48.005, 23.48.020, 23.48.021, 23.48.040, 23.48.055, 23.48.085, 23.48.620, 23.58A.042, 23.58C.050, 23.84A.025, 23.84A.042, and 25.05.800 of the Seattle Municipal Code; and adding a new Subchapter VI to Chapter 23.48 of the Seattle Municipal Code, consisting of Sections 23.48.702, 23.48.705, 23.48.720, 23.48.721, 23.48.722, 23.48.723, 23.48.724, 23.48.730, 23.48.732, 23.48.735, 23.48.740, 23.48.745, 23.48.750, 23.48.755, 23.48.780, and 23.48.785, to rezone areas in the Uptown Urban Center.
- b. Summary and background of the Legislation:** The proposal will allow increased height and density in the Uptown Urban Center. The proposal would also implement the City’s mandatory housing affordability (MHA) requirements for new development in the rezoned area, as well as establish new development standards to achieve design and development objectives expressed in Uptown Urban Design Framework (May 12, 2016). In general, the goal of this proposal is to help shape the growth anticipated to occur in this Uptown Urban Center, subject to requirements that will mitigate the related impacts of that growth.

Key recommendations include:

1. Rezoning various NC3 40 and NC3 65 zoned properties to a new Seattle Mixed-Uptown(SM-UP) designation, with height limits ranging from 65 feet to 160 feet;
2. Increasing the capacity in LR1, LR2 and MR zones as part of MHA implementation.
3. Applying Mandatory Housing Affordability requirements in the rezoned areas.
4. Revising development standards to address design issues with current development and accommodate new building types in the neighborhood.
5. Apply incentive zoning provisions for new commercial and residential projects in SM-UP 125/160 zone, including programs to permit the transfer of development potential from designated Landmark structures, public open space sites, and historic vulnerable masonry structures and floor area bonuses for green street improvements and onsite open space amenities;
6. Amend pedestrian-oriented development standards; and

7. Amend other sections of the Land Use Code as they relate to rezoned areas in the Uptown Urban Center for consistency among the standards of the various SM zone designated areas and to make administrative revisions and correct references.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? ___ Yes ___ No
- b. 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?

The proposed legislation will provide additional development capacity in the affected portion of the Uptown Urban Center to accommodate the 3,000 additional households and 2,500 new jobs expected in the area over the next 20 years. This growth could result in an increase in demand for municipal services to be provided by the full range of city departments. The increase in the need for additional services is expected to be balanced by the corresponding incremental increase in property tax revenues, sales tax revenues and other revenues associated with increased development. In sum, the increased development will be balanced by increased revenue at existing rates.

The more direct and immediate cost of implementing the legislation is the impact on the Seattle Department of Construction and Inspections (SDCI) to process future development under the legislative rezone. Costs to process the rezone include updating land use and zoning maps, permit tracking systems, and GIS systems. This work would be funded out of SDCI's IT unit and would be accommodated within existing budget authority and staffing levels.

IT costs

Following a legislative rezone, the Seattle Department of Construction and Inspection's (SDCI) IT division must update all GIS maps and zoning records in SDCI's permit systems for each parcel within the rezone boundaries. This work will be covered by existing resources in SDCI's IT division.

SDCI training and implementation

The new code standards are anticipated to affect permit review staff at SDCI. Training is needed to ensure that reviewers are aware of the new provisions, and that the policy intent is clear for implementation. This training will be incorporated within the existing training and coordination schedule.

MHA requirements

As rezones or code changes go into effect, new development projects will be subject to MHA requirements. OH, and SDCI have already addressed anticipated needs for

additional staff to administer the mandatory housing affordability (MHA) requirements, which ultimately will apply to zones citywide. During permit review, each permit application subject to the program will require a calculation of affordable housing mitigation to be provided.

c. Is there financial cost or other impacts of *not* implementing the legislation?

Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.

None.

4. OTHER IMPLICATIONS

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

If adopted, it is likely the proposed legislation will impact staff time in OH, Parks, City Light, and SDOT although impacts can be absorbed through existing permit fees and/or utility rates without any new FTEs.

b. Is a public hearing required for this legislation?

Yes. The City Council will hold a public hearing on August 28.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

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

Public notice is required to be published in the Daily Journal of Commerce.

e. Does this legislation affect a piece of property?

This legislation applies to all property in the Uptown Urban Center. A map is included as Exhibit 1 to the ordinance.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

This legislation will help ensure that future development in Uptown will produce affordable housing, helping to offset the increasing cost of housing in this neighborhood and throughout the City. Over half of the households served by providers of City-funded

low-income housing are households of color.

- 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).**

The mandatory affordable housing requirements that would be implemented through the rezone are expected to yield approximately 600 affordable housing units over a 20-year timeframe for households with income at or below 60% of AMI.

- h. Other Issues:** None.

List attachments/exhibits below: None