

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
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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**

- 1. Legislation Title:** AN ORDINANCE related to land use and zoning; establishing an incentive program for high performance buildings in urban centers; amending Sections 23.40.060, 23.41.004, 23.41.012, and 23.41.014 of the Seattle Municipal Code (SMC); and adding a new Section 23.40.070 to the SMC.
- 2. Summary and background of the Legislation:** The legislation would amend the Land Use Code to accomplish the following:

Establish a new 2030 Challenge Pilot for projects located within an urban center except for lots within the shoreline jurisdiction and within the Chinatown International District Special Review District

- Establish a new pilot program to promote the construction and operation of buildings that meet the highest green standards and promote environmental quality.
- Allow 20 projects to be built prior to the pilot expiring in 2025.
- Require the buildings to meet standards for energy, water and transportation efficiency.
- Allow additional development capacity (floor area and structure height) for buildings that meet the pilot program standards.
- Allow additional development capacity for pilot projects that include the renovation of an unreinforced masonry structure.
- Change the penalty for failure to submit the report in a timely manner from the date the report is submitted to the date it is received by the department.
- Reduce the compliance penalty from 5% of the construction value to 3% of the construction value, establish a minimum penalty of 1%, and establish additional penalties for energy and water criteria as well as for not achieving Petal Certification.
- Create a new project in SDCI's Construction and Inspections Fund. The SDCI Director will recommend allocations of these penalty revenues to the Mayor and City Council.

Update the LBC Pilot Program

- Allow the same zoning incentives as proposed for the 2030 Challenge Pilot.
- Update penalty provisions to be consistent with those proposed for the 2030 Challenge Pilot.

Require participants in the Pilot to:

- Participate in the Design Review Program;
- Include renovation of an existing building meeting the proposed size thresholds;
- Meet the energy, water and transportation standards; and
- Maintain these requirements for the life of the building.

Include the following incentives for both pilot programs:

- 25 percent more FAR than the maximum allowed in the zone;

- 30 percent more FAR than the maximum allowed in the zone is proposed for development that includes renovation of an unreinforced masonry (URM) building;
- For Residential buildings - 12.5 feet more height above the maximum allowed in the zone for zones with height limits 85 feet or less, and 25 feet for zones with a height limit greater than 85 feet;
- For Commercial buildings - 15 feet more height above the maximum allowed in the zone for zones with height limits of 85 feet or less, and 30 feet for zones with a height limit greater than 85 feet.

These increases would be additive to any additional floor area or height gained by other programs such as incentive zoning. If additional height and/or floor area is gained through the pilot program, that additional height and/or floor area would not be subject to incentive zoning or MHA requirements.

Allow the Design Review Board to consider the following additional departures from development standards for both pilot programs:

- Tower spacing requirements in Downtown Mixed Commercial zones;
- Tower floor area limits and tower width limits for portions of structures in residential use in Downtown Mixed Commercial zones; and
- Structure height limits in Downtown zones and Seattle Mixed-South Lake Union zones.

## 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?

SDCI will incur short-term costs to prepare explanatory materials and/or Director's Rules for permit applicants, train staff, and develop business practices to carry out the new Pilot. Participation in the Pilot is limited to 20 projects in addition to the remainder of the 20 projects eligible in the existing Living Building Pilot. Both Pilots expire in 2025. Long-term costs will be incurred in the form of facilitation of permit applications by the SDCI Green Permitting Team. Tracking of green building requirements is already included in the Accela roll-out currently underway. Additional resources are not anticipated at this time for technical support for this new pilot program. SDCI estimates that due to the limited number of projects eligible to participate in the pilots and their limited duration additional costs can be accommodated by existing staff and permit fee revenue. However, we are not able to predict how many developers may take advantage of these incentives, and the timing of when they choose to develop. If many developers choose to participate in this pilot, SDCI will track the impact on staffing, and may need to request additional staff resources in the future.

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

The goal of the pilot is to encourage new development of high performing green buildings. The City would study these buildings in the preparation of recommendations for permanent standards

to include in the Land Use Code for future construction of high performing green buildings across the city. No financial cost would be incurred by not implementing the legislation, but the opportunity to promote green building would be lost.

#### 4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**  
Office of Sustainability and Environment, Seattle City Light, and Seattle Public Utilities staff may be consulted as subject matter experts to review and approve energy and water provisions of the pilot for each permit application.
- b. Is a public hearing required for this legislation?**  
Yes. The City Council's Planning Land Use and Zoning Committee will hold a public hearing. The hearing will likely be held during the second quarter of 2018.
- 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?**  
Yes. Notice will be published of the public hearing in *The Daily Journal of Commerce*.
- e. Does this legislation affect a piece of property?**  
No.
- 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?**  
The legislation would expand and update an existing pilot program and no impact on vulnerable or historically disadvantaged communities is anticipated, nor are there any likely RSJI implications.
- 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).**  
No.

**List attachments/exhibits below:** None.