

# Director's Report

## Small Lot Development Standards in Belltown

### June 2021

#### **SUMMARY**

The Office of Planning and Community Development (OPCD) is proposing legislation to support development on small lots in the Downtown Mixed Residential (DMR) zones of Belltown. Current regulations require complex building forms that make development on small lots very challenging. Advancements in modular and panelized construction are making small lot development more feasible; however, these types of construction require more consistent floor layouts across multiple floors to accommodate the stacking of units. This legislation would allow housing development on small lots to be built with simpler massing in order to make development on small lots more feasible and support innovative approaches to construction. This legislation would implement one of the recommendations of the Affordable Middle-Income Housing Advisory Council on innovative construction.

#### **BACKGROUND**

The DMR zones affected by this proposal, which are only located in Belltown, have been in place since at least the 1970s and reflect an older approach to controlling building size that is not used in other zones in Seattle. Regulations in these zones, including lot coverage limits, setbacks, and maximum building width requirements, require complex building forms with floors that gradually decrease in size at various heights. While construction is already challenging on small lots, the complex building forms make it even more challenging because they result in complicated construction, varying floor layouts, and small upper-story floor plates. Advancements in modular and panelized construction are making small lot development more feasible; however, these types of construction require consistent floor layouts across multiple floors to accommodate stacking of the units.

Multiple companies have expressed interest in building more modular or panelized construction in the urban areas of Seattle. Modular construction involves building whole rooms or units off-site, basically boxes that are stacked to make buildings. Panelized construction involves constructing a building frame on a site and then inserting pre-made floor/ceiling and wall panels that contain all the insulation, plumbing, electrical, heating, and interior finishes necessary for the building between the elements of the frame. Panelized construction is particularly cost-effective for high-rise buildings that are 125 to 240 feet high and can be built on lots as small as 6,000 square feet. Development above 85 feet on small lots has traditionally been considered economically infeasible using conventional high-rise building technology.

Below are recent examples of modular and panelized construction. The Emmonson (left) was constructed using modular construction. 47 & 7 (right) was constructed using panelized construction.



## **PUBLIC ENGAGEMENT**

OPCD conducted outreach to the Belltown Community Council, Belltown Business Association, Denny Triangle Neighborhood Association, and Downtown Seattle Association in June through September 2019 on an initial proposal to address this issue. Additionally, OPCD met with a group of property owners in January of 2020. Overall, comments were generally supportive of providing flexibility to support modular and panelized construction. A small number of people expressed concern about the large massing and scale of buildings allowed under the existing code that the original proposal would have increased slightly. Additionally, there were concerns that the small increase in massing did not justify a proposed requirement for additional rent- and income-restricted housing units and that this requirement would prevent most developments from being able to use the alternative standards. Based on that feedback, OPCD modified the initial proposal. While the original proposal allowed for an increase in floor area and required affordable housing units, the updated proposal does not allow for an increase in floor area and will not require additional affordable housing units. Instead, the updated proposal allows a similar amount of floor area in new buildings but allows flexibility in the shape of those buildings.

## **PROPOSAL**

The proposed legislation will allow housing development on small lots to meet alternative development standards if they meet certain minimum requirements. Housing development could continue to meet the existing standards but may voluntarily opt to use the alternative standards. The purpose of the alternative development standards is to allow a simpler building shape. Below is a summary of the minimum requirements and alternative standards.

### Minimum Requirements

Projects meeting the following minimum requirements would be allowed to meet a different set of development standards:

- The site is located in a DMR/C 145/75, DMR/R 145/65, DMR/C 280/125, or DMR/R 280/65 zone.
- The site is less than 14,500 square feet in size.
- At least 75% of gross floor area in the proposed building is in residential use.

Below is a map of the affected zones.



### Alternative Standards

Projects meeting the minimum standards would be allowed to use the following alternative standards in order to provide more appropriate massing for smaller lots. The overall goal of the alternative standard is to allow buildings that have a similar amount of floor area as is allowed under current regulations, but a more simplified shape.

#### **Coverage Limits**

Currently, on lots less than 19,000 square feet in DMR zones, the first 65 feet in height have no coverage limit, floors between 65 feet and 85 feet have a maximum coverage limit of 75% of the lot, and floors above 85 feet have a coverage limit of 65% of the lot. We are proposing to allow the following alternative:

- For lots 8,000 square feet or less, development would have to meet one of the following:
  - The first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 80%; or
  - The first 25 feet in height would have no coverage limit and all floors above 25 feet in height would have a maximum coverage limit of 85%, but the height limit would be reduced by 10 feet to 135 feet.
- For lots 14,500 square feet or less but greater than 8,000 square feet, the first 45 feet would have no coverage limit and all floors above 45 feet would have a maximum coverage limit of 75%.

### ***Building Width and Depth***

Currently, lots less than 19,000 square feet in DMR zones have a maximum width and depth limit of 90 feet on avenues and 120 feet on east/west streets for portions of a structure above 65 feet in height. We are proposing to allow a maximum width and depth limit of 100 feet on avenues and 120 feet on east/west streets for portions of a structure above 45 feet in height.

### ***Green Street Setbacks***

Development on green streets in DMR zones is required to be setback 10 feet from the green street property line between 65 and 85 feet in height, plus an additional foot of setback for each 5 feet above 85 feet. However, buildings frequently get departures from the stepped setback through design review as it results in a strange shape that is difficult to build. Variable upper-level setbacks are challenging on small lots because they result in different layout on each floor and small floors on the upper levels. This type of development standard is particularly challenging for modular or panelized construction where standard unit sizes would result in the removal of full units on upper stories. The proposed alternative is to require no setback for the first 25 feet and a setback of 10 feet for the remainder of the building. This alternative would only be allowed on the north side of a green street without view corridor requirements to ensure it does not significantly reduce the amount of light accessing the street.

The City of Seattle's Development Capacity Model identified about 13 single lots (each about 6,400 square feet in size) and about 11 double lots (each about 12,800 square feet in size) in the project area that are considered redevelopable and could be affected by this legislation. Displacement of existing housing is unlikely as an analysis of the City's Development Capacity model found that none of these sites contain existing residential buildings.

Modeling of potential outcomes of the proposed changes is available on the Small Lot Development in Belltown website at: <http://www.seattle.gov/opcd/ongoing-initiatives/belltown-small-lot-development>.

## **CONCLUSION**

This proposal would implement a recommendation of the Affordable Middle-Income Housing Advisory Council to support innovative construction. It would help to address our affordability crisis by increasing the supply of market-rate and affordable housing units and supporting development using innovative construction approaches that may help to reduce the cost of building new housing in the future.